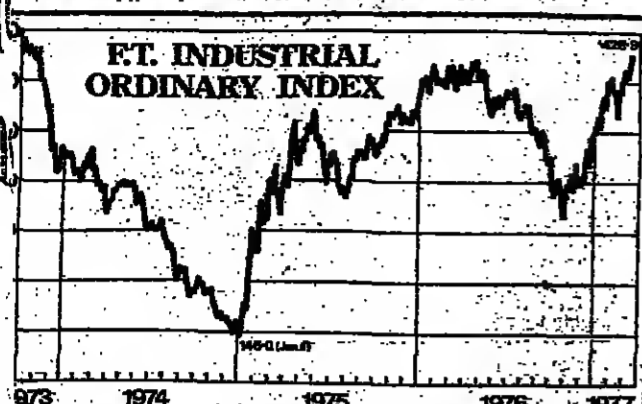


BEARINGS FROM POLAND... FLET & METALS LTD.

COWIE FLEET... Finance: Nationwide

NEWS SUMMARY



Index up 13 at 1/2-year peak

Shares and gilts made a strong showing yesterday, buoyed by optimism about interest rates and the trade...

Wall Street gains 10.64; gold falls

WALL STREET rose 10.64 to 958.26 as investors took a more optimistic view of the economy...

More Leyland talks to-day after Varley is consulted

TALKS ON the British Leyland crisis created by the three-week-long toolroom strike will be resumed to-day by management and union leaders...

Borthwick bids £10m. for FMC

THOMAS BORTHWICK and Sons, international meat traders, has made a £10m. takeover bid for FMC in what it describes as "one of the most significant developments yet seen in the meat trade in Britain..."

Prices rise over the last three months at an annual rate of 21.8 per cent

PRICES rose over the last three months at an annual rate of 21.8 per cent, said Mr. Roy Hattersley, Prices Secretary, Parliament, Page 13. TEA could cost 30p a quarter pound in the shops by the end of the year, it was claimed yesterday.

ESMO PETROLEUM made a net loss of £13m. last year

ESMO PETROLEUM made a net loss of £13m. last year, compared with a £29m. profit in 1975. It blamed the fall in the value of sterling and competition in the oil products market. Page 25

Price changes yesterday

Table with 2 columns: Item and Change. Includes Midland Bank, Newmans Inds, etc.

IMPROVEMENT OF £343m. ON JANUARY FIGURES

Payments surplus of £31m. last month

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN HAD a current account surplus of £31m. last month—a turnaround of £343m. compared with January. This continues the sharply fluctuating trend of recent months and exaggerates nearly 50 per cent. higher than both the extent and rate of the underlying improvement...

BALANCE OF PAYMENTS. Seasonally adjusted £m. Table with columns: Visible, Invisibles, Current account. Rows: 1975 1st-4th, 1976 1st-4th, 1977 Jan, Feb.

The figures for the spring could appear particularly favourable, as they did a year ago and during the summer there may be higher imports than now of crude oil, oil installations and, to a lesser extent, of diamonds...

including £51m. in February. This compares with a total of £177m. in 1975. Although the oil account so far seems to be advancing as hoped, progress on the non-oil side has been more limited with exports of manufactured goods rising very slowly and imports of finished goods still increasing steadily on a three-month comparison...

Uneasy calm in Bologna after riots

BY PAUL BETTS BOLOGNA, March 14

IN THE past 48 hours Bologna, under Communist administration since the war and Italy's oldest university town, has been transformed into an academy of political violence.



Although an uneasy calm returned here to-day except for some isolated vandalism after the devastation of the town's historic centre by armed urban guerrillas of unclear affiliation, police expected a revival of the violence, which erupted over the week-end and continued until late last night, at any moment.

When the riots first broke out on Friday, the police found themselves undermanned. According to the authorities they over-reacted, a tendency which was apparent yesterday when tear gas was thrown at groups of people taken for demonstrations who had gathered in Piazza Maggiore, the main square, for their regular Sunday afternoon outing.

More Leyland talks to-day after Varley is consulted

BY ALAN PIKE AND CHRISTIAN TYLER

TALKS ON the British Leyland crisis created by the three-week-long toolroom strike will be resumed to-day by management and union leaders, following discussions last night with Mr. Eric Varley, the Industry Secretary...

Mr. Jim Mortimer, chairman of the independent Advisory Committee, said that he would be difficult for ACAS to become involved in the dispute, as requested by Mr. Jeff Booker, Labour MP for Birmingham Perry Bar.

Richard Evans writes: In a speech that appears to herald a more aggressive Conservative attitude towards Government aid to ailing companies, Sir Keith Joseph declared yesterday: "Britain needs rescuing from the rescuees."

There is no prospect of rescue, companies are forced in their own interests to put their house in order. Sir Keith remains at the centre of Tory policy-making and there are increasing signs that Mrs. Margaret Thatcher accepts Sir Keith's views on future Tory industry policy.

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See us at 'PAKEX' - Stand 3207 National Exhibition Centre, Birmingham 14-18 March

Table with 2 columns: Features and On Other Pages. Includes New York, Society, EEC borrowing plans, etc.

More Leyland talks to-day after Varley is consulted

BY ALAN PIKE AND CHRISTIAN TYLER

On Saturday night, masked extremists threw incendiary bombs at public buildings, during the last few weeks in smashed shop windows and barricades by overturning buses and using a private broadcasting station - Radio Alice - to promulgate subversive propaganda.

Symbol

To-day leading Communist officials here said that Bologna had become a target for extremist forces wanting to prevent the inevitable political advance of the Communist Party in Italy and the country's political transformation.

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Vertical text on the left margin: 'We pay steel you need', 'COLLINS', 'made in nation', 'BZALID', 'ombs', 'ck', 'elfast', 'rompt to kill', 'Gandhi's son', 'corde row', 'la skyjack', 'Prim can help business overseas', 'has asked the U.S. for aid to help combat an'.

LOMBARD

The PSBR comes under fire

BY PETER RIDDELL

THE GOVERNMENT'S commitment in the IMF Letter of Intent to a specific target for the public sector borrowing requirement...

Vulnerability

This does not mean that the constant or full employment deficit was necessarily at an acceptable level last autumn...

A tight rein

Nonetheless while the PSBR ceiling can be seen as a firm sign of the Government's more general determination to keep a tight rein on public spending...

RACING

Bula could land popular win

THERE WILL be no more recent months than that put up by Don't Hesitate in defeating...

CHATELAIN

- 2.30 - The Dealer\*\* 2.35 - The Dealer\*\* 2.40 - The Dealer\*\*

SEDFIELD

- 2.45 - Ingham 3.45 - Subway 4.15 - Calculator

SALEROOM

BY ANTONY THORNCROFT

Old Masters are in demand

A PAINTING by the early 17th-century Dutch artist Cornelis van Haarlem of St. John the Baptist Preaching in the Wilderness...

CENTENARY TEST

BY TREVOR B

England 430 behind and fading fast

THE AUSTRALIAN batsman, Ian Davis on 45 and Walters on 32. Although the pitch was easy front of the stumps...

FILM AND VIDEO

BY JOHN CHI

Copyright tapes

THE FIRST quarter of 1977 witnesses the publication in UK of two of the most important Parliamentary reports...

TV/Radio

- BBC 1 6.40 a.m. Open University (UHF only) 9.25 For Schools, Colleges...

F.T. CROSSWORD PUZZLE No. 3,330

Crossword puzzle grid with numbers 1-27 and letters A-Z.

- ACROSS 1 Angry allusion - requiring concordance? (5-9) 10 Disturb the elite (5) 11 Enlivening or taming in a jungle (9)...

- 7.45 Glas Y. Dorian, 7.45-8.10 To-morrow's World, 11.55 News and Weather for Wales...

- RADIO 1 247m (D) Stereo-music broadcast 6.30 a.m. As Radio 2, 7.30 News...

Blind eye

Most if not all of the UK media industries will welcome Whitford's recommendation that we should adopt the German system of a blanket...

SKF Steel sponsors car racing

SKF STEEL is to sponsor a ten-race motor racing championship Mallock U2, driven by Vernon Davies.

Clean air rules 'hit productivity'

PLANS for tougher clean air regulations for iron and other ferrous foundries will hit productivity, the Department of Environment has been told.

Liberals to fight GEC seats

THE LIBERALS are to fight all 92 seats at the Greater London Council elections in May, 32 more than in 1972.

SNOW REPO

Table with columns for location, snow depth, and other weather-related data.

# Norman Stevens

# New York Ballet

# Vampire

by WILLIAM PACKER

by DAVID VAUGHAN

by B. A. YOUNG

He Arnoldi has grown used to imaginative freedom and enters now to his warehouse palazzos. His work has always been of a peculiar, distinctive refinement, yet at the very tip of the mind, concerned as much with the fine style, perfection of the work as with the content. It wears the grandeur of a new situation lightly. It does its best to ignore or, once inside, the visitor's self. Understated itself, the imagery teases us into a conversion of the most promising kind that might be us to any number of ambiguous possibilities and surreal imaginations. Practical and unambitious. Whether he takes himself into one of the several series to the bookshop or to have the soon realise that it meant to concentrate on the matter in hand, for he is encouraged to gaze out of the bay. Which is fair, for it is the work that as come to drink in, not architecture, not the view, at the situation is not this irrelevant. For this is always engaged with experience, which he tries to in his work and, in the general sense, this world which he moves must be on that experience. More clearly, where the artist has directly upon the land for reference and thus, he must hope that of his work will gain from the world to which he must so happens that the major of this work now at the has just such a possi- if somewhat allipical con-

On November 16 last the New York City Ballet, fresh from its triumph in Paris, opened at the State Theater in Lincoln Center. One month later, in the midst of the annual holiday run of Balanchine's *The Nutcracker*, the company's orchestra went on strike and performances were cancelled until further notice. As negotiations dragged on with no apparent hope of solution, it became evident that for many weeks the company's very existence — were threatened. It is no exaggeration to say that those many people whose lives literally revolve around the New York City Ballet — not just its employees but those who go right after night during the season, whose idea of life is to follow the company to Washington or Saratoga (their summer homes) or Paris. Even if one worships Balanchine's side of idolatry, life in New York without his company is not something that one could adjust to as one adjusts to, say, reduced subway service or less frequent garbage collections. Fortunately, at the eleventh hour, the twelfth-hour miracle was accepted and a settlement they had reached a few days earlier (at which point the situation really had seemed bogsless), even though this settlement granted only some of their demands.



Merrill Ashley, Robert Weiss and Kyra Nichols in 'Bournoville Divertissements'

### The Entertainment Guide is on Page 12

than ever—not surprising, since the dancers must have been even more keenly aware than the audience of what was at stake: not only a source of spiritual nourishment, but their very livelihood. All the same, what gives NYCB its particular quality as a company is the fact that the dancers all seem to believe in what they are doing—they recognize that, unlike the British Empire Ballet Theatre, NYCB is motivated by a major creative force, the genius of Balanchine. It is from Balanchine's works that the company derives its identity, and both its virtues and its faults reflect his concerns. Thus it is important to recognize that Balanchine does not care about conventional ideas of perfection, either in his ballets or his dancers—hence the ragged look of the ensemble most of the time and the frequent sacrifices of academic form to the swiftness of execution. He is clearly not concerned with "masterpieces" but in choreography as a continuing process, and it is astonishing that at the age of 73 he can still startle us with passages of choreography that seem without precedent even in his own work. Such are the two

duets for Suzanna Farrell and Patric Martins in *Chaconne*, which seem to embody the very essence of the baroque and the wild, plunging variation for Adam Luders about exemplify these qualities; what was surprising was that so many of the American dancers — not all of them principals—should dance in the manner born. Among them, one must mention Kyra Nichols, Nichol Elinka, Jean-Pierre Frolich, with his brilliant *entrechats*

phrasing that makes smooth elisions possible, sigrance of port de bras. It was to be expected that Martins, Helgi Tomasson, and Adam Luders about exemplify these qualities; what was surprising was that so many of the American dancers — not all of them principals—should dance in the manner born. Among them, one must mention Kyra Nichols, Nichol Elinka, Jean-Pierre Frolich, with his brilliant *entrechats*

and Daniel Dussil, unmistakably a *dansseur noble* in the making. Less successful in adapting to the style were Farrell and Patricia McBride, who both seemed to find difficulty with the phrasing and indeed some of the technique. But on the whole it can only be good for the company to have to meet the challenge of this choreography: there are so many ballets in the repertory that would benefit from the kind of precision that Bournoville demands, from both individuals and ensemble.

Only two new productions were presented in the abbreviated season. Balanchine's *Dances*, originally made for Makarova and Baryshnikov at a gala, looks like more left over from *Dances at a Gathering* and as such does not deserve a place in the same repertory. The other novelty was a new departure indeed: a set of *Bournoville Divertissements* staged by Williams, now on the faculty of the School of American Ballet. Clearly the new style has certain features in common with Balanchine's: the speed, and buoyancy, the lack of obvious preparations, the unexpected juxtapositions of steps. Yet there are other qualities that one does not immediately associate with NYCB: precision, a sense of

### Palladium

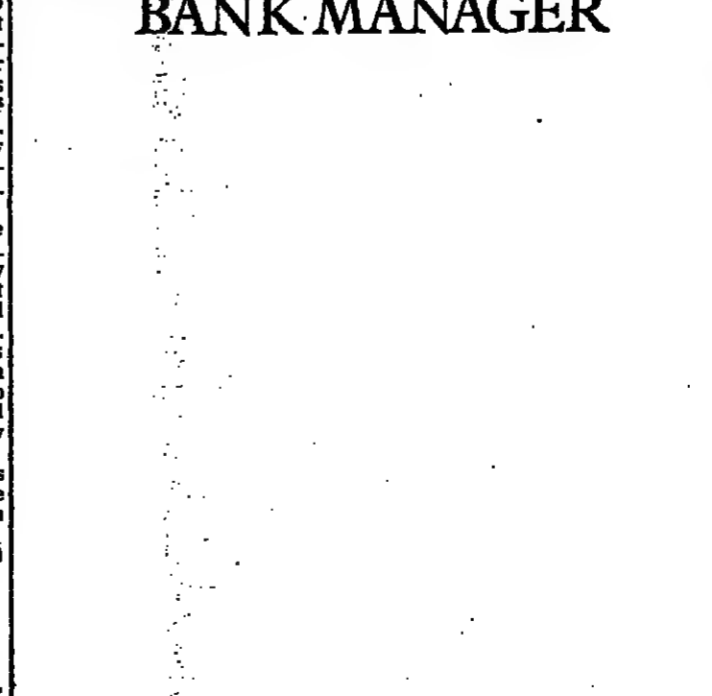
The large blonde lady in the billowing white dress stands casually in front of the microphone, and lightly caresses the top of the grand piano with her hand. She sings softly of "Love for Sale" of "Touch me in the Morning"; of "I'm not in Love," and if you close your eyes, or switch them to the plush decor of the Palladium, you can imagine you are down among the coffee cups and the empty wine glasses and a knowing hand has selected the best mood music from the record collection. Or at least you can for a minute or so. The purr of Peggy Lee's sensuous voice, gliding over the "realities" rather than the romance of love, must have set the scene for a mass of memories. But on record it was all intimacy, with ideally a lady even though there is a gap between the image and the reality. For much of the time like the world's most easy going chaperone. Age, and the vast-ness of the Palladium, were not sympathetic towards an action replay. But if much has gone, much remains, and after an uncertain start Peggy Lee was phrasing again as she smoothly her way through a delicate choice of material. The nsuwr songs, like "I'm not in love," were slightly uncomfortable, but in her standbys "Mack the Knife" and "Mr. Wonderful," she class told, she even managed to inspire the Jack Parnall orchestra to unexpected heights, and her communication with the audience was not too sugary. Peggy Lee might have changed her style with her age, concentrating on the op tempo Latin flavoured songs which pep her act. On the whole she is wise to stay with the love ballads even though there is a gap between the image and the reality. For much of the time she is still almost perfect.

### Radio 3

## Tamburlaine

Tain. Hamilton's *Tamburlaine*, the broadcast in stereo last night, is a "lyric drama" commissioned by the BBC, conceived for radio—not an opera which happened to have a premiere on the air. Hamilton has condensed Marlowe's two plays *Tamburlaine the Great* into a single long act playing for just under an hour and a half. The monster-conqueror, whose physical endurance, generalship and lust for domination have pushed him as far as the borders of China, is finally overtaken there by death. At the moment of dying, he relives episodes from his career in a series of flashbacks. The method, a well-tried one, is useful for radiating Marlowe's sprawling, multi-coloured canvas to a small frame, and suitable for the theatre of the air, where the mind can range freely—or at least it can do so if the words of the play are well heard. As both the *Royal Hunt of the Sun* and *The Crucible* have shown, Hamilton thinks deeply about the setting of words and takes pains that they should come across. A listener provided with vocal score and libretto is perhaps not the best judge of an ability, but the setting of this performance was very good, that the composer has once again succeeded in highlighting the words. He has also, as he omitted to do in *The Royal Hunt* (but achieved in the extended Coronet version by the subject in *Cadence*), provided lyrical relief. In fact, the straightforwardly sensuous attractions of the lyrical writing are the only hazard to the intelligibility of *Tamburlaine*, sustained vowels always being a potential obstacle to seizing unfamiliar words. These phrases, however, are not the ones which carry the action, and in any case, since Hamilton has firmly and not unsuccessfully incorporated in his text a number of Marlowe's lines, some of them—"Is it not firs to be a King?" and "To entertain divine Zenocrate" among them—are already familiar. The episodes treated concern mainly the subjection of Cosroe, King of Persia, the humiliation of the Emperor Bajazeth, the overthrow of the Government of Babylon, and *Tamburlaine's* deep and lasting love for Zenocrate. Hamilton has defined his subject as the conflict between man's quest for beauty and his ambition. These warring aspects are summed up in a quiet monologue for *Tamburlaine*, in which he is followed by a short, tender duet with Zenocrate, placed a little after the half-way mark, typical as well of the economical orchestral writing, with a sinuous clarinet arabesque in the solo and a background of wordless chorus in the duet. This performance, produced by Stephen Plafrow, with the BBC Symphony Orchestra and Singers under David Atherton, was vivid and gripping. The role of *Tamburlaine* is conceived for a high, heroic baritone of a kind unfortunately infrequent in the world's opera houses. Norman Welby met the demands (andronomous high F's, not just touched in but held) with great courage and a distinction of timbre which made occasional signs of tiredness easy to overlook. Jans Manning was touchingly sketched by Aleksander Young, Missleom King with his further vocal demands (a sharp C) and a clear *Corro* required by the subject in *Cadence*, provided lyrical relief. In fact, the straightforwardly sensuous attractions of the lyrical writing are the only hazard to the intelligibility of *Tamburlaine*, sustained vowels always being a potential obstacle to seizing unfamiliar words. These phrases, however, are not the ones which carry the action, and in any case, since Hamilton has firmly and not unsuccessfully incorporated in his text a number of Marlowe's lines, some of them—"Is it not firs to be a King?" and "To entertain divine Zenocrate" among them—are already familiar. The episodes treated concern mainly the subjection of Cosroe, King of Persia, the humiliation

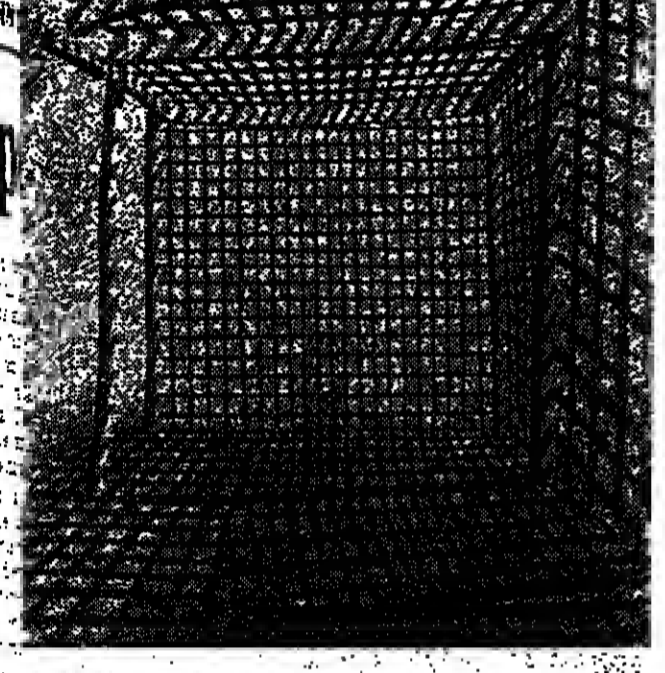
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### TO TELL YOU ABOUT BARCLAYTRUST

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Barclaytrust exists so that people with enough money to worry about (as distinct from those who worry about not having enough) can make the most of what they've got. So that people like you don't end up paying more tax than you should. So that the benefits of full market knowledge can be applied to your investments. So that you can have a team of full-time specialists on your side when providing for your family's future. Ask your Barclays Manager about Barclaytrust soon. He knows all about it.



Norman Stevens: Collapsing structure in the art historian's picture (oil on canvas)

with local reality, the serve for a venetian blind or a Robert Smithson's projects, clipboard front on the desk and jetties on the one. The work is his clever and Norman Stevens' intelligent as ever, and as seductive wall-like monoliths on 'tive, but it also marks a withdrawal from the cool detachment of the past in favour of a freer, and more open, hedonistic approach to the activity of painting, a celebration of paint for its own sake, the rich subtle to a close. Never exactly an artist, he then all but up painting, turning in-ly to print-making and ly to stitching, for which he sedately demonstrated a certain mastery of the technique of silkscreen printing, but also a certain ease: prints should do something to extend a line and effort too, and editions sell well, the man to do more are pers- for artists must eat. The white, holes, which deserves to be iden artist, working ex- heard at everiding by dismissed in a paragraph: they e fssla to be his real m is not uncommon. Stevens may have made paintings in these recent han he might have wished, are not many to wish, but he may consider I, doubt that Robert Chaplin, who is showing a handful of etchings in which the landscape and its map are juxtaposed, will deas and imagery changed veloped, and allowed him un to painting with such

### more Hall

## Andrzej Malinowski

by ELIZABETH FORBES

sh Week at the Wigmore from Simon Boccanegra showed us that Mr. Malinowski could draw a good, secure Veridian line and might well become a magnificent exponent of the great Verdi bass roles in scale, keenly focussed in lack-coloured, the kind of profoudo that rarely seems west of the Or. If arpretatives skill is not yet developed, be has, *Hounded Mamor*, and a song, unally in Polish or Russian known to me, offered as an encore, he achieved a sharper characterization, partly by a more rhythmic pulse. Most enjoyable of all was Boris's Death scene from Boris Godunov, where not only an idiomatc phrasing, but a noticeable sympathy for Missorszky's work setting, provided a really strong framework for the voice. Jerzy Marchwinski, the pianist, provided adequate support for his singer, but did not offer much personality of his own except in a Ballad by Anton Rubinstein, when the accompaniment suddenly took on a distinctive flavour.

### 'London and The Thames'

A major exhibition of paintings entitled *London and The Thames*, and featuring works by Canaletto, Constable, Gainsborough, Kokoschka, Monet, Sisley, Turner, Whistler and others, will open at Somerset House at the beginning of July. The exhibition will run for three months, and is a major event in the London Cultural Committee's programme to mark the Queen's Silver Jubilee. Sponsoring the exhibition are

The Observer and IBM U.K. Ltd. while Sotheby's will sponsor the preparation and production of the catalogue. The exhibition is being designed and mounted by The National Maritime Museum, Greenwich on behalf of the Department of the Environment. The setting of the Exhibition will be the Fine Rooms at Somerset House, some of which have not been seen publicly since the beginning of the 19th century.

### more Hall

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EUROPEAN NEWS

EEC BORROWING PLANS

Putting a Triple A credit rating to best advantage

By DAVID BUCHAN IN BRUSSELS

THE EUROPEAN Community plans to step up its borrowing on the international money markets. The fact that the EEC institutions in general have earned themselves a Triple A credit rating has not been lost on the new Brussels Commission, many of whose members want to put that rating to greater use. The Commission President, Mr. Roy Jenkins, has himself larded his few official pronouncements on long-term policy with statements of intent in this regard. He has set his staff to working out a new overall loan policy, details of which will not be ready for a month or so. But already some lines along which the Commission is thinking are becoming clear.

The EEC institutions have been considerable borrowers in the past: the European Coal and Steel Community raised £1.05bn. between 1954 and 1974, and the European Investment Bank £3.39bn. U.S. (\$1.8bn.) between 1961 and 1974. And there is the EEC budget itself, amounting to \$33bn. U.S. in 1974, \$41bn. U.S. in 1975, \$50bn. U.S. in 1976.

Next year the EEC is to have its "own resources" of agricultural levies, customs duties, and up to 1 per cent. of value added tax raised in the member States. Brussels estimates that this will give the Community some financial elbow-room. If, they say, the EEC had possessed its "own resources" this year it would have more than covered this year's budget.

Nevertheless, there is nothing in the slowly-climbing EEC budget that could directly ride the money with which Viscount Davignon wants to restructure European steel, or Herr Guid Brunner to boost nuclear power, or Sig. Antonio Giolitti to give regional policy a new dimension — unless, of course, the EEC budget could be used as security for international loans.

Parliament

The feasibility of this is exactly what Mr. Christopher Tugendhat, the EEC Budget Commissioner, has asked his officials to establish. Though no decision has been taken, there are several possibilities, including the setting up of a guarantee fund in the EEC budget like that already in the ECSC budget. Another possibility is to write the loans into the budget document (though not into the actual balance sheet), thereby giving lenders to the EEC some legal recourse to its general budget.

Politically, it is considered essential that any new loan mechanism be formally entered into the budget in order to give the European Parliament (which approves the budget) a say.

In fact, EEC loans raised under the so-called "community loan mechanism" are already entered into the budget document "pro forma". This gives lenders a right of last resort (never yet tested in the courts) to the EEC budget. But the Community loan mechanism has severe limitations. It was set up in 1975 and authorised to undertake commitments of up to \$3bn. including interest in its credit line. In its turn it has extended loans to member countries in payments difficulties. Loans of \$1bn. and \$300m., respectively Ireland, and another \$500m. is likely to go to Italy soon. Talking into account, officials estimate that they are only about \$300m. below the \$3bn. ceiling, for five it is unlikely that certain

This would be necessary in order to encourage the steel industry in its present sorry state to make use of the loans the ECSC is almost certainly objecting if the purpose of the loans was made less precise. But the success of the loan mechanism has attracted by its rate sublimely, in particular the idea of a regional fund money to subsidise the interest of the European investment Bank's regional loans. Such subsidies have been possible in the past and have hardly been used largely because those countries benefiting most from the regional fund, like the U.K. and Italy, have preferred to take cash immediately rather than wait for the longer term and less tangible benefits of lower interest rates.

Problems

But two problems arise if Sig. Giolitti hopes to increase the amount that the EIB lends for regional projects. Last year it directed three-quarters of its total 1.22bn. U.S. loans towards regional development within the Community.

One is raising the EIB's present statutory ceiling of \$550m. U.S. on the loans and guarantee. The bank can give this would mean the member states raising their capital backing to the bank which they may be unwilling to do. When the capital of the bank was last increased, 18 months ago, the estimate was that the bank would need a capital increase before 1980. It would have to come earlier if loan activity much increased.

The other problem is that the EIB would need to retain its first class rating if it wants to keep its borrowing cheap and expand loans. It would therefore have to maintain the same quite strict criteria which it applies to projects at the moment. Of course in addition to expanding old activities, the Commission is taking on new duties. Some of them like fish conservation, could not conceivably be financed by loans. But others, like the European Export Bank, which is still a long way from taking shape but which would require substantial borrowing, require new means of tapping the money markets. But before Brussels sees this cornucopian vision of expansion on borrowed money realised, there are a lot of practical problems to be worked out.

Joergen in talks with union employ

By Hilary Barnes

COPENHAGEN

MR. ANKER JOERGEN, Prime Minister of (above), called in the Federation to-day after wage talks broke off Friday. The talks, place with the help of mediator, who was brief on the situation. He has already taken any action at the next move is mediator, who has put off a labour court periods of 14 days. There is a chance of conflict soon, and decide whether to do.

The TUC has a warning covering its members' employees of the Employers' including power and newspapers. They have warned that out most of the workers employed by them, which means a conflict would be most comprehensive country in recent years.

The TUC and its are negotiating for a cent a year pay from

The Financial Times, 15 March 1977

50 Avenue Foch

Would you like to live on Avenue Foch in Paris? Then you might as well live on the best side: the right side as you go down. The sunny side. The number 50 side. All the great streets of the world have their best side. On Avenue Foch, for a century the most sought after has been the even number side. The 50 side.

At number 50, a new development is being built, one that faithfully reflects the spirit of Avenue Foch. With three, four and five room apartments in the super-structures. And with four, six and eight room town houses in the lower part, complete with patios, planted areas and hanging gardens: a total of 4000 square meters of outdoor living space out of 5800 square meters.

Apartments and town houses. The style being created by the architect and the interior designer is "stone and bronze tone", in the tradition of this avenue that leads to the Bois de Boulogne. It is, however, a style in which nothing is rigid, a style with a free and flowing concept of space. The rooms are designed for entertaining but have that feeling for intimacy and warmth that is so much a part of our taste today.

The building program has been planned to let you reach a decision now on any internal fittings you would like to incorporate, unless you prefer those envisaged by the architect and designer.

Habiter Avenue Foch, à Paris? Avez-vous le bon côté. Côté droit, quand on descend. Côté soleil. Côté cinquante. Toutes les grandes avenues du monde ont un bon côté. Avenue Foch, depuis un siècle, les plus recherchés sont les numéros pairs.

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Argentine Embassy, 111 Cadogan Gardens, London SW3 2L. Tel. 01-736. Swift's U.K. Representative, A. B. Barrio, Chesham House 150 Regent St., LONDON W1R 5FA, Tel. 01-736.

Money and Ships 7

Grosvenor House Hotel, London, 22/23 March 1977. Conference Chairman, Sir Lindsay Alexander, Chairman, Ocean Transport and Trading Ltd.

Day One

Protectionism in Shipping

Protectionism in liner shipping: a Western European view. A. B. Marshall, Managing Director, P & O S.N.Co. Liner shipping: some aspirations of five emerging maritime nations. Enrique Rojas, Chairman, Transporacion Maritima Mexicana S.A. Protectionism in bulk shipping: whose interests at stake? Heifden Olney-Simonsen Jr., Shipowner. Oil producers and their fleets (Speaker to be confirmed).

Day Two

Tanker Trading and Legislation in the US

Congressman John Murphy, Chairman of the Merchant Marine and Fisheries Committee, United States Congress. Dr. F. L. Wiswall, President of Liberian Services Inc, New York. Panelist: Erling D. Nease, Chairman of Intertanko Sea Transport and the EEC. The EEC and shipping. Derya D. Brown, Executive Director, P & O S.N.Co. The implications for the Greek-owned fleet of EEC membership. Costa Cerraz.

Lunchtime Address

His Excellency Dr. T. E. Westerterp, Minister of Transport of The Netherlands.

Tankers and the Search for Equilibrium

The state of the market - a banker's view. Peter Douglas, Senior Shipping Economist, Chase Manhattan Bank. The shipping and shipbuilding crisis: What the IMF can contribute. Sir James Dunsnett, Chairman of the International Maritime Industry.

The Secondhand Market

Considerations for buying secondhand tonnage. Nico J. Cotzias, Managing Director of N. Cotzias (Shipping) Co. Ltd. Financing secondhand purchases. Patrick Moorem, Executive Director, Amex Bank Ltd., London. Advisory Banks: Chase Manhattan Bank, National Westminster Bank.

This programme may be subject to alteration.

Fee per delegate £125 inclusive of Conference documentation, lunches, refreshments, evening reception on the 22nd March and transcript.

To reserve your place now contact: Carol Jackson, Conference Administrator, Seatrade Conferences, Fairfax House, Colchester, CO1 1RL. Telephone: (0206) 45121. Telex: 98517 Disop G.



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Handwritten Arabic text: مکتبنا من مصر

Handwritten note: *Chirac*

### Netherlands warning on community plans

**BRUSSELS, March 14.** NETHERLANDS warned that it may be forced to participate in future international loans. It is one of the EEC if the Commission is not represented at the Western economic summit in London next May.

Warning was conveyed by Finance Minister Willem Beyers to a meeting of his colleagues here today.

Should be borne in mind that the Netherlands had borrowed \$105m. more than its legal share, to the drawing which Britain on the IMF late last year.

Duisenberg won a promise from the U.K. Chancellor of the Exchequer, Mr. Denis Healey, as chairing the meeting, to "a tape recorder" of the meeting.

Mr. Healey apparently thought he would relay it to the Minister James Callaghan, acting both as host of the meeting and current president of the EEC Council.

Netherlands, the only country apart from West Germany now enjoying a pay surplus, wants the Fund of the European Community, Roy Jenkins, to attend setting so that he can put community view on international trade and economic which directly affect the demand is supported by small EEC countries.

Mr. Jenkins himself but stubbornly opposed, by which claims that the meeting is outside the unity framework.

Duisenberg's attitude on sue may well have been led by the brusque treatment out by the Ministers today to his proposals a controlled floating of currencies within "target

Healey made it clear at conference that they were with strong reservation by West Germany and by a of deficit countries and the chance of adoption foreseeable future.

aid that the Ministers had on new forms of EEC otion on exchange rates, y at central bank level, could be done "within the al framework" of the erg proposals, but it to specify exactly how further it would take co-ordination of e rates.

## CHALLENGE TO GISCARD REINFORCED Chirac is set for triumph in Paris

BY DAVID CURRY

PARIS, March 14.

M. JACQUES CHIRAC, leader of the Gaullists, who resigned as French Prime Minister seven months ago, now looks certain to become Mayor of Paris and thus reinforce his challenge to President Giscard d'Estaing.

M. Chirac, who left office after a bitter quarrel with the President over the political strategy of the ruling coalition and his own powers as Prime Minister, has re-emerged as a major figure on the French political scene.

In the first round of voting in the Paris local government election yesterday, M. Chirac came home comfortably ahead of M. Michel d'Ornano, the mayoral candidate backed by M. Raymond Barre, the Prime Minister, and by the President.

perfectly capable of standing up to the Left. The advance of the Left is due much more to the weakness of the majority than to the inherent strength of the Left.

What happens now depends on negotiations between the coalition partners to decide if and where one or the other list will stand down to permit a single-minded confrontation with the Left. M. Chirac has several times spoken of the need for such a decision whereas M. d'Ornano has said simply that he favours such an agreement in seats threatened by the Left.

Agreement on these lines must be reached before to-morrow midnight to withdraw lists from contention within the legal time limit.

### Galvanised

M. Chirac polled a little over 26 per cent. of the popular vote against 22 per cent. for M. d'Ornano, the Minister for Industry, and a member of President Giscard's Independent Republican Party, whose nomination for the mayoralty in the Gaullist list of Paris provoked the entry of M. Chirac into the race.

The Union of the Left scored 32 per cent. of the vote, a gain of around 3½ points over its 1971 performance. Its advance was noticeably less forceful than elsewhere in France, for which M. Chirac was quick to claim credit.

"When you galvanise, the majority coalition sufficiently and give it confidence in itself it is

### Polarised

There are at least four areas of Paris where M. Chirac's lists seem certain to prevail on the second round (decided by a simple majority) even if the d'Ornano list is not withdrawn.

There are another four where the Left looks to be home and dry against all comers. In the district covering the well-heeled 16th arrondissement M. d'Ornano was in front of M. Chirac by a nose and either list will defeat the Left which polled a bare 13 per cent.

The negotiations will concern the remaining sectors where the Left headed the first round but which should be held by the Conservatives if they can

## Gaullists closing ranks after Left's gains

BY ROBERT MAUTHNER

PARIS, March 14.

PRESIDENT Giscard d'Estaing's ruling coalition to-day was preparing to patch up its damaging internal quarrels following the substantial gains made by the Opposition Union of the Left in the first round of the French municipal elections yesterday.

Though a run-off will take place next Sunday in all those constituencies in which candidates were not elected outright in the first round, the progress of the Left has already been great enough to justify serious Government concern about the outcome of next year's General Election.

The swing to the Left nationwide was no more than 3 per cent. in the first round, compared with the last municipal elections in 1971, but the Left obtained nearly 52 per cent. of the total vote compared with about 47 per cent. for the Government parties. These figures, if it is true, could still be reversed at the next General Election.

and have clearly benefited from their alliance with the Socialists and their own new, more liberal Euro-Communist promises. In two large towns, Rheims and St. Quentin, they unseated incumbent Gaullist mayors.

While there is a general tendency in French elections for the Left to do better in the first round than in the run-off, the municipal elections this time have been polarised to such an extent that it is unlikely that the general picture will change fundamentally next week.

Given the continuing trend in the country towards the Left, only one tactic is now open to President Giscard's Government—that of presenting a united front to the Left. In which the Gaullists and President Giscard's Centrists can be entirely overcome. Strengthened by his success in Paris, M. Chirac will agree only to compromises which do not undermine the capacity of his Party to remain the most powerful political group in the National Assembly.

## Basque violence likely after new death

By Roger Matthews

MADRID, March 14.

DESPITE THE proximity of Spain's first general elections for more than 40 years it was again political violence that dominated the country's attention to-day.

In the space of an hour, a young man died in San Sebastian following injuries received from a rubber bullet, police in Madrid blamed the murder of four Communist lawyers and a legal assistant in the capital last January on a labour dispute, and an airburst was blamed on a route from Barcelona to Palma de Majorca.

Of more immediate impact is likely to be the death in San Sebastian which is sure to provoke further trouble in the Basque provinces, where fierce clashes between police and demonstrators have continued for the past six days. Originally sparked off by the police killing of two members of the separatist organisation ETA, further tension had been injected by the apparently retaliatory murder yesterday of a member of the Civil Guard.

A youth was also shot and injured by police in Barcelona yesterday, after petrol bombs had been thrown at a police vehicle. The Catalan capital was the scene of especially violent demonstrations for several hours after the Civil Guard had banned a rally to support demands for a total political amnesty.

In Madrid, police stressed that the arrest of seven people allegedly implicated in the murder of the Communist lawyer only brought to an end the first part of their investigations. One of the men detained is the head of the Government-controlled union for the Madrid transport sector who is supposed to have hired two gunmen to carry out the killings.

Although two of these detained had links with the extreme right-wing party New Force, the police said that so far there was no reason to think the "massacre" was a politically motivated plot or was related to the kidnapping earlier that day of a prominent army general.

Meanwhile, there was no immediate indication of the political motivation of the Italian who to-day hijacked an Iberia Boeing 737 airliner. The aircraft, with 29 passengers and seven crew, was ordered to fly to Algiers, where it refuelled before taking off again for the Ivory Coast.

## Italy minister hints at new legislation to curb extremists

BY DOMINICK J. COYLE

ROME, March 14.

THE ITALIAN Government have attributed it variously to elements on the extreme Left of introducing "extraordinary" and Right of the Italian political spectrum.

Meanwhile, the main political parties, supported by the country's three trade union confederations, have closed ranks in a demonstration of solidarity in the face of the street riots and boogalisms which erupted throughout Italy from Milan to Palermo, including Rome, Turin, Bologna, Florence, Naples and Bari.

This solidarity has not for the moment resulted in any formal discussions between the various party leaders, but individual spokesmen for the Christian Democrats, the Communists and the Socialists have concurred in insisting that every possible step must be taken to "isolate and stamp out the extremists."

This all-party agreement has taken some of the tension out of the present political situation resulting from last week's unique decision by Parliament to impeach two former Defence Ministers after allegations that they accepted bribes from the U.S. Lockheed Corporation as part of a deal involving the sale of aircraft to the Italian Air Force.

The Minister gave no precise indication as to whether the police have yet been able to identify positively the various factions behind the week-end disturbances, and the media here

## Faroes fish curb concern

BY ROBIN REEVES

BRUSSELS, March 14.

THE British Government reacted sharply here to-day to a new threat to the activities of the U.K. fishing fleet in North Atlantic waters.

The threat has come from the Faroe Islands which, it emerged here to-day, is planning to impose stringent conservation measures curbing fishing in its new 200-mile waters for a six-week period beginning to-morrow.

In the first two months of this year, 48 British vessels were reported to be regularly fishing in the area.

Mr. Bruce Millan, the Secretary of State for Scotland, told the EEC Council of Ministers that the Government viewed the Faroese move with deep concern. He sought assurances that the Brussels Commission would insist on the Faroese Government respecting consultation procedures before the signing of a reciprocal framework fisheries agreement between the Faroese and the Community. This is due to take place to-morrow.

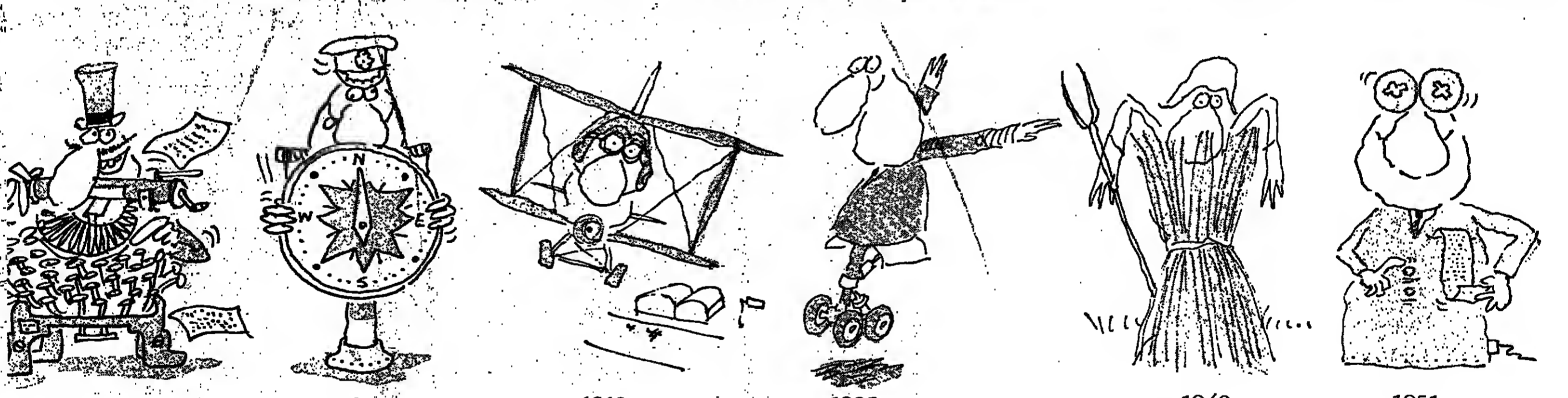
According to officials, full details of the Faroese Government's plans are not yet clear, but they clearly entail a severe curtailment in fishing effort. Compared with a combined British U.K. fishing fleet in North Atlantic waters.

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AMERICAN NEWS

Teamsters pension trustees to resign

By Stewart Fleming
NEW YORK, March 14. THE U.S. Government appears to have won an important victory in its battle to clean up the Teamsters' Union pension fund with the announcement that three union officials have agreed to resign as trustees.

BA, Air France obtain Concorde hearing delay

BY JAY PALMER AND STEWART FLEMING
NEW YORK, March 14. THE COURT hearing into landing rights in New York for the Concorde airliner scheduled for tomorrow was postponed today for the fifth time following an application for delay by British Airways and Air France.

U.S. nears 'fairly final' position on SALT

By Our Own Correspondent
WASHINGTON, March 14. PRESIDENT Carter said today that the U.S. would have worked out a "fairly final" negotiating position for the forthcoming strategic arms limitation talks (SALT) with the Soviet Union by the time Mr. Vance, the Secretary of State, goes to Moscow in two weeks' time.

Carter soft pedals nuclear issue in Genscher talks

BY DAVID BELL
WASHINGTON, March 14. PRESIDENT CARTER today spent an hour with Herr Hans-Dietrich Genscher, the West German Foreign Minister. The White House said later that both sides were "looking forward" to the forthcoming summit and both leaders had agreed on the importance of the "continued vitality of the Atlantic Alliance."

Boycott Bill limits outline

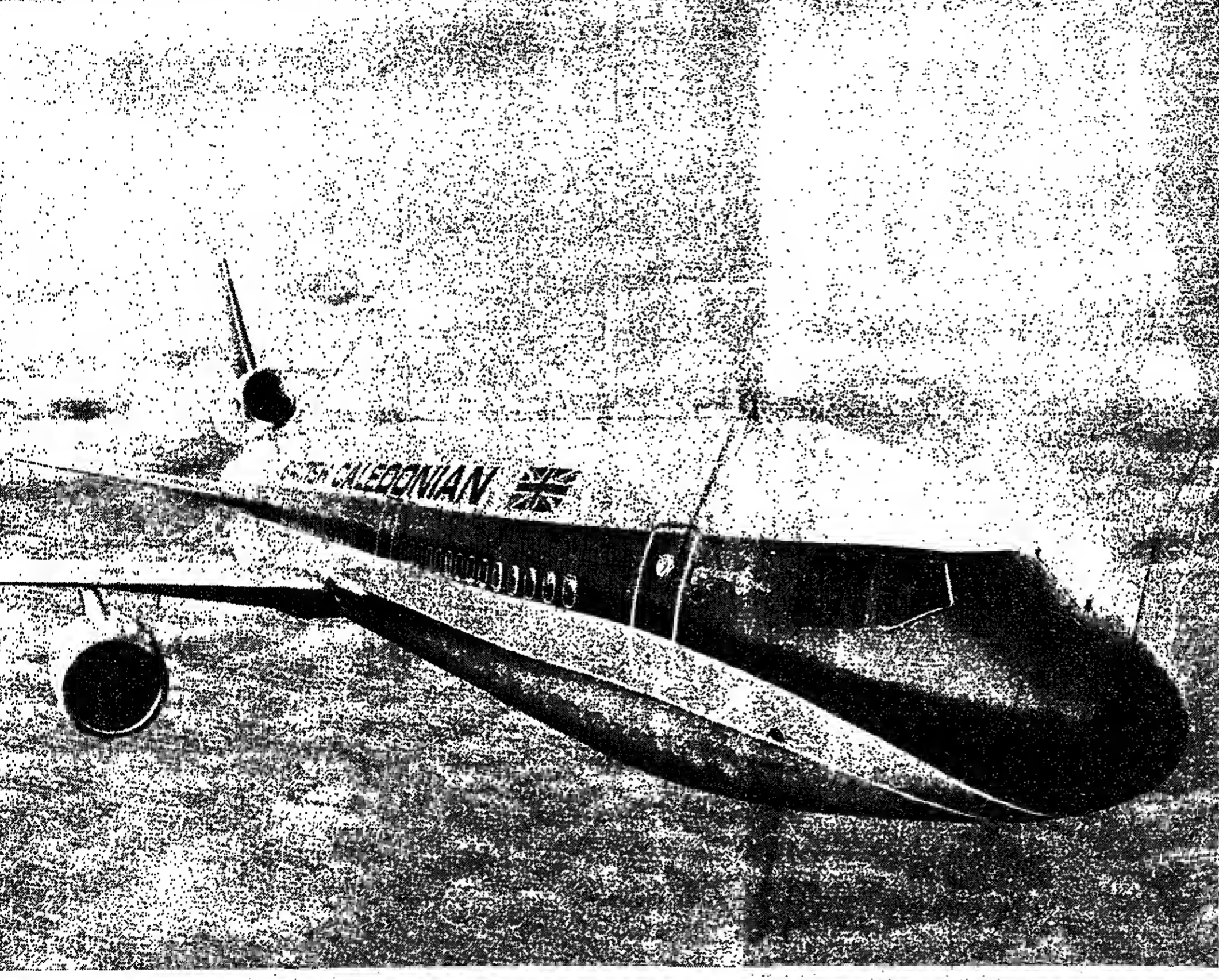
By Our Own Correspondent
WASHINGTON, March 14. MRS. JUANITA REYES said she outlined what she described as the "limits" she set on the strict new boycott legislation drafted.

Mexican \$90m. 'petrobonds' issue

BY ALAN RIDING
ACAPULCO, March 14. THE MEXICAN Government today announced plans to issue \$90m. (about \$90m.) worth of 'petrobonds' which will have a maturity value pegged to the world price of oil.

ACAPULCO, March 14.

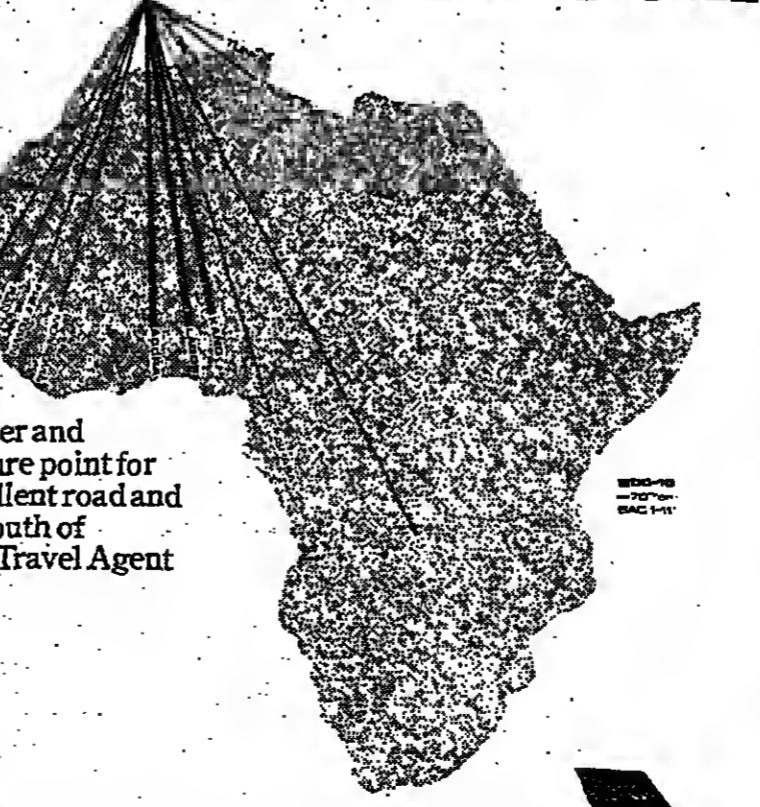
The Government Development Bank, Nacional Financiera, will then issue common stock at a nominal value of \$2.50, payable in three years. Investors will be paid the pro rata share of each stock certificate according to the return on the sale in 1980 of the oil acquired, discounting interest paid during the life of the certificates.



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service that's something special even by our own high standards. Superjet, super service, plus daylight flying means you'll arrive in West Africa relaxed and refreshed. You're on a different plane of comfort. Easy-to-get to Gatwick is Britain's fastest developing international airport. There are frequent domestic flights into Gatwick from Aberdeen, Belfast, Edinburgh, Glasgow, Jersey, Manchester and Newcastle.



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GUATEMALAN POLITICS

The Army turns to the centre

BY ALAN RIDING, RECENTLY IN GUATEMALA
COFFEE and cotton exports are running at a record level, Sr. M. Alarcon, head of the commercial Right National Liberal (MLN) organization, says. The hotels still being perched up since after last year's earthquake and reconstruction programme in the countryside is going as well as can be hoped. For a change, in fact, there is good news from Guatemala. Even the country's chronic political violence appears to have subsided in recent months, and there are hopes that the extreme Right may be excluded from power in next year's elections.

Handwritten note: JP... 15/3

OVERSEAS NEWS

Sanjay Gandhi escapes assassination bid

DELHI, March 15. SANJAY GANDHI, son of Prime Minister, Mrs. Indira Gandhi, narrowly escaped assassination last night when...

U.S. vote on bar to Rhodesian chrome

WASHINGTON March 14. THE U.S. House of Representatives this evening voted by a wide margin to repeal the Byrd Amendment...

Arab flurry over Carter's thinking

BY ROBERT GRAHAM

CAIRO, March 14. PRESIDENT JIMMY CARTER'S Press conference last Wednesday outlining American views on a Middle East peace settlement...

are now worried that confidentiality is in question. They believe that negotiating a Middle East peace settlement involves the discussion of many delicate and complex points...

Arab ambassadors who asked to see U.S. Secretary of State Mr. Cyrus Vance after the news conference are understood to be in no way mollified by his assurance that U.S. policy has undergone no basic change.

JERUSALEM, March 14. Independent Palestinian state, and on the need for Israel to have defensible borders, the sources said.

Janata front confident in India as tension rises

DAVID HOUSEGO

MEMBERS of the Opposition front which is pushing the Minister, Mrs. Indira Gandhi, to a close fight in India's election declared today...

DELHI, March 14. cially estimate that they will gain 250 seats which would give them a majority. Their confidence seems genuine but even allowing for the sharp swing in their favour since elections were announced...

if her position looked weak after the election. Mrs. Gandhi was in Bihar today, sticking closely to the main theme of her campaign which is that Congress is the only safeguard against chaos...

The Senate, meanwhile, was debating the same subject. It adjourned until tomorrow without coming to a climatic vote, but the outcome here seems assured since three amendments which would have had the effect of negating repeal of the Byrd Amendment were easily defeated.

It is this aspect which has caused most concern. Arab diplomats regard an essential element in Dr. Henry Kissinger's success in negotiating between the Arabs and Israel as being the way he kept discussions and proposals secret.

The first indication of this concern came in President Sadat's speech inaugurating on Saturday the 13th session of the Palestinian National Council, in which he found himself obliged to respond to President Carter's statement on U.S. support for "defensible borders" for Israel.

President Sadat said: "Let me repeat in your presence and within hearing of all on this occasion that we do not accept the cessation of a single inch of our territory."

PRIME Minister Yitzhak Rabin 10-day reported in the Israeli Cabinet on his trip to Washington amid public uncertainty about his results.

Added to this there is general confusion caused by President Carter disclosing his hand so soon. He has put forward a negotiating position which in public at least any Arab government would have difficulty endorsing.

It is the border issue which has caused the most anxiety here since President Carter told a Washington news conference that Israel would have to make substantial withdrawals from Arab territory captured in the 1967 Middle East war...

No Arab government wishes to be seen as negotiating with Israel. This suggests the PLO is adopting a generally conciliatory tone in order not to alienate itself further within the Arab world, and in particular because of its delicate position in Lebanon.

THE PLO will seek to normalise relations with Jordan in order to strengthen its position in the Arab world. This was one of the objectives set out in the political report of the PLO executive committee presented to the Palestinian National Council by Mr. Farouk Khaddoumi, head of the PLO Political Department.

Mr. Arafat is hoping that negotiations between the PLO and Jordan will result in an agreement for a normalisation of relations within the framework of the Rabat summit resolutions. Mr. Khaddoumi also told the council that the PLO intended to establish "fraternal relations" with Syria, according to a PLO spokesman.

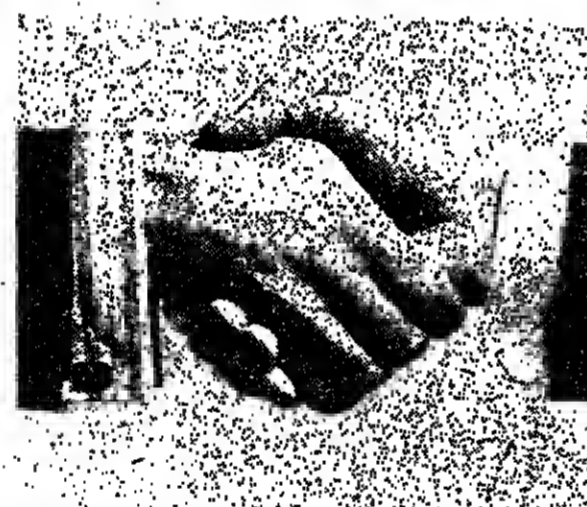
Pakistani demonstrators defy ban on assemblies

IQBAL MIRZA

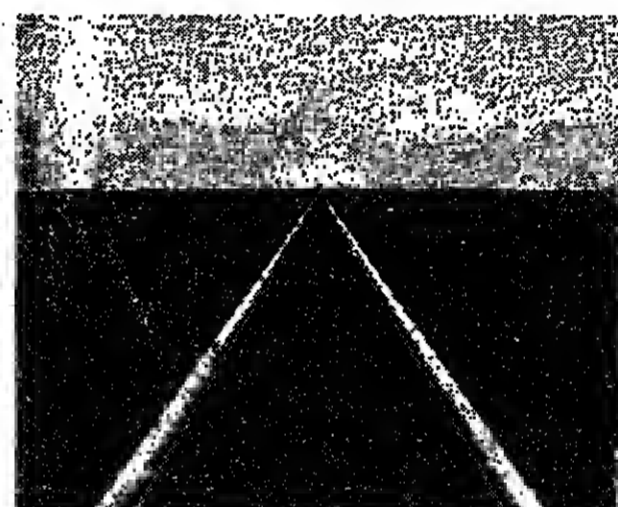
PROTESTERS in Pakistan National Assembly (PNA) staged a demonstration in the city of Lahore on a regulation which bans assemblies of five or more persons to protest against the rigging in the 7 general election.

KARACHI, March 14. slogans loudly against the government. According to reports reaching here this evening, several hundred persons have been arrested by police throughout the country, following today's demonstrations.

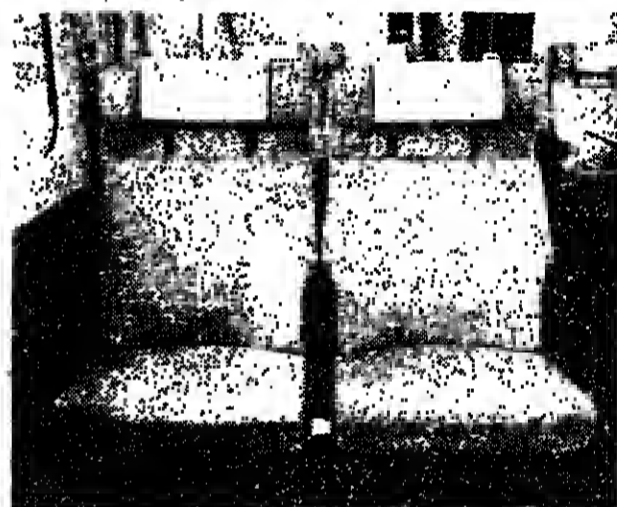
Look what you gain when you travel by train



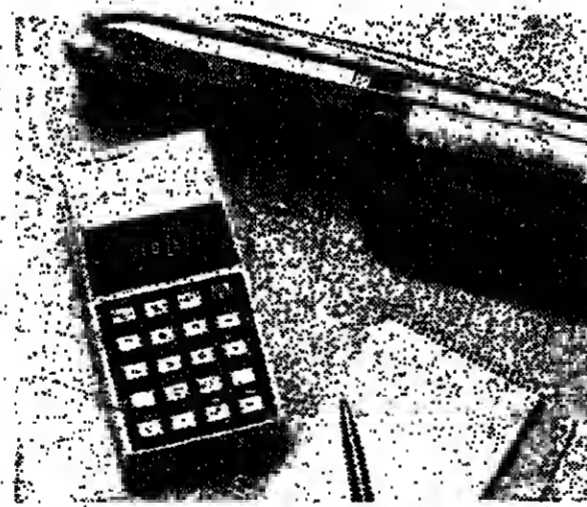
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Zaire asks for U.S. aid

U.S. State Department said today that Zaire has asked for U.S. military assistance in the wake of a reported invasion of the province of Katanga.

propaganda against the Government. The radio gave no hint when the meeting would take place. Meanwhile in Nairobi our correspondent reports that the Anglican Archbishop and Bishops of Kenya have called on the Organisation of African Unity and the United Nations to set up an international police force immediately to aid in the restoration of law and order in Uganda.

Castro in Addis Cuban President Fidel Castro arrived yesterday in Addis Ababa for talks with the military Government of Ethiopia.

ON OTHER PAGES International Company News: GHN business strategy Sandvik foreign borrowing 26/27 Farming and Raw Materials: Matia farmers State aid plea... 35

THE ARAB BLACKLIST UNVEILED

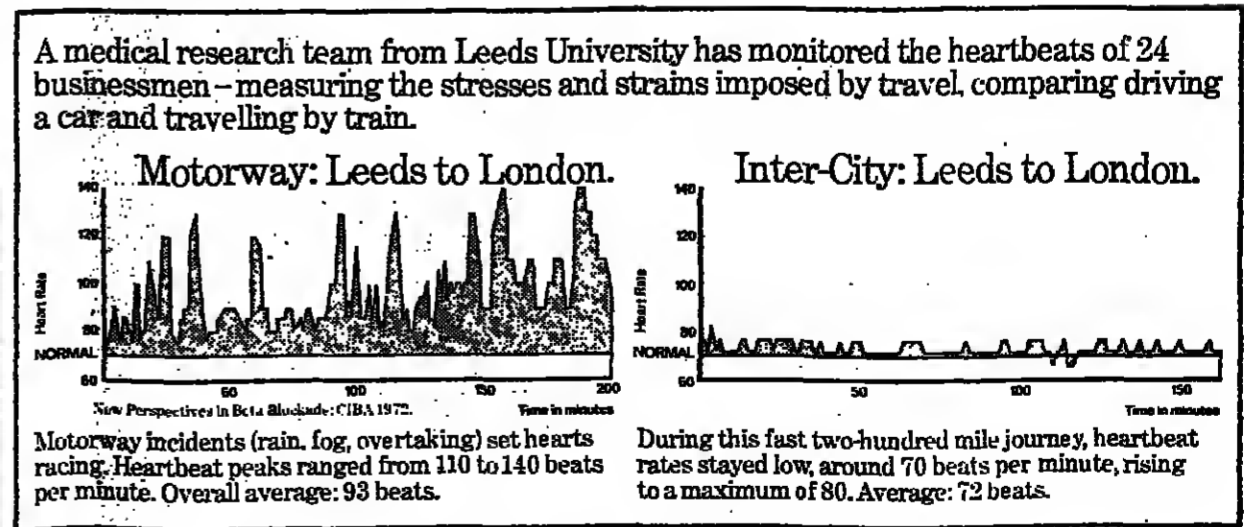
A research report on the Arab Boycott, its history, rules and regulations and effects on world trade.

Thousands of companies on the actual Arab international blacklist—and delistings—from 1971 through 1976. Price: \$70

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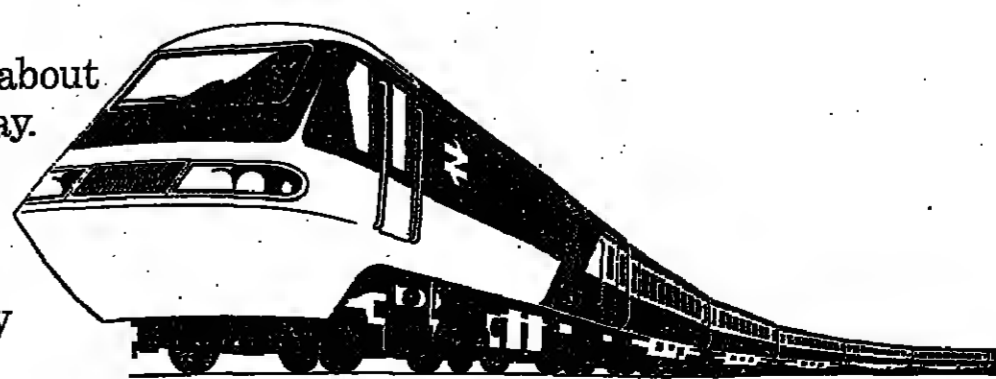


Motorway incidents (rain, fog, overtaking) set hearts racing. Heartbeat peaks ranged from 110 to 140 beats per minute. Overall average: 93 beats.

During this fast two-hundred mile journey, heartbeat rates stayed low, around 70 beats per minute, rising to a maximum of 80. Average: 72 beats.

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When you travel by Inter-City, you can forget about your problems. You won't hit any traffic on the way. You get time to have a meal, catch up with work and relax in real comfort (in fact, more than 50% of Inter-City trains are now air-conditioned). It all adds up to one thing: travelling Inter-City makes good sense. And good sense makes good business. So go Inter-City soon.



Inter-City makes the going easy

WORLD TRADE NEWS

British trade fair opens in Venezuela

By Joseph Mann THE LARGEST British trade exhibition ever staged in Venezuela was inaugurated last night by the Duke of Kent and Sr. Carlos Andres Perez, President of Venezuela.

The British industrial exhibition, which includes some 200 representatives of business and industry, is being held in the Caracas Poliedro, a modernistic exhibition hall and sports centre on the outskirts of the Venezuelan capital.

Higher duty on U.S. TV imports sought by ITC

By DAVID BELL THE U.S. International Trade Commission (ITC) proposed today that sharply higher import duties should be levied on imported colour television sets for at least the next five years.

The present U.S. duty on imported sets is 9 per cent. Under the ITC's five-year plan, it would be raised to 25 per cent. for the first two years, 20 per cent. for the next two years, and 15 per cent. for the last year.

The ITC recommended this approach by a five to one majority, with only one commissioner opting for quotas. The Commission was less decisive in its ruling on imports of monochrome sets.

Government to inquire into steel dumping

By Kenneth Gooding THE DEPARTMENT OF Trade is to conduct an investigation into allegations of dumping of steel sections and flats from Japan.

The British Independent Steel Producers' Association, which had been pressing for the investigation, welcomed the decision and said: "We are pleased that the British Government has grasped this particular nettle while the EEC continues only to talk about it."

W. Germany loses \$225 plant contract to Italy

By LESLIE COLTIT THE WEST GERMAN steel and engineering company, Salzgitter, has been judged out of a large steel plant contract with East Germany by Italy's Danelli.

Salzgitter reportedly believed it was a near certain favourite to deal worth some \$225m. to build a steel mill with two electric furnaces and a continuous casting line at the site of the existing Brandenburg steel plant, west of Berlin.

Other Italian companies and Swedish concerns are said to be included in the deal as sub-contractors. Salzgitter reportedly believed it was a near certain favourite to deal worth some \$225m. to build a steel mill with two electric furnaces and a continuous casting line at the site of the existing Brandenburg steel plant, west of Berlin.

Problem in finding Japan agents

By CHARLES SMITH, FAR EAST EDITOR THE DIFFICULTY of finding agents in Japan is the main reason why British sales of metrology and tooling equipment in Japan are only one-tenth of what they are in the U.S., France and West Germany.

James Neill, of Sheffield, said experience with a Japanese commission agent had proved unsatisfactory because the agent had been unwilling or unable to hold stocks of products.

The association says that the Japanese have been charging £140 a tonne, against the home producers' £170, making customers unwilling to buy forward U.K.-produced sections and flats.

Scope for Europe in U.S. growing diesel demand

By GEOFFREY OWEN THE SPECTACULAR growth of diesel engine demand in the U.S. should provide an outstanding opportunity for European and especially British manufacturers over the next decade.

Largely for reasons of fuel economy, U.S. production of diesel engines is likely to rise from 632,000 units last year to 1.1m. units by 1981, a growth rate of 12 per cent. per annum.

Hungary over imbalance with Britain

By David Lancelotti HUNGARY is keen to trade with Britain but corrects the imbalance concerned about the obstacles facing its exports to the U.K.

The Hungarians are largely concerned about dumping which rounded some of their light industrial goods. Mr. Kallos said it was his belief that Hungary's exports to the U.K. were being held back.

Petrochemicals in Greece

By Our Own Correspondent ATHENS, March 14. THE State-controlled Hellenic Industrial and Mining Investment Company (ELEVEE) is to establish a \$615m. petrochemical complex in Serrai, Greece.

Mr. Goussis said the complex will be the largest industrial project in Greece so far and will be ready within five years after initiation. He said the project is based on a feasibility study prepared by Foster Wheeler and the U.S.

The petrochemicals complex contemplated will centre on an ethylene steam cracker unit with an annual production capacity of 250,000 tons.

"With ECGD insurance, our overseas stocks are well covered."

"Our products are seasonal and we sell in highly competitive markets, so we have to build up large consignment stocks overseas at the right time of year. This inevitably puts substantial sums of money at risk which is why we need both market and buyer insurance from ECGD. They have been quick both to understand and support us in this policy. ECGD cover is now a vital plank in the expansion of our sales overseas."

Peter Prateley is Managing Director of the Home & Garden Equipment Division of Birmid Qualcast Ltd. at Derby. The Division exports 50 different models of lawnmower to 130 countries, and the group has been with ECGD for 20 years.

- ECGD insures from contract or shipment dates. Cover is offered for contracts in sterling or other approved currencies for:
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• Sales to or by overseas subsidiaries of UK firms.
• Services and construction works contracts.
• Other single large sales of capital equipment, ships and aircraft.
ECGD also offers for certain export business:
• Bank guarantees for export finance at favourable rates.
• Guarantees for loans and lines of credit to overseas borrowers.
• Guarantees for performance bonds, pre-shipment finance and project participants' insolvency.
• Cost escalation cover.
For full details call at your local ECGD office.



To make an appointment or for information contact the Information Officer, Export Credits Guarantee Department—quoting reference FT J—at Glasgow, Belfast, Leeds, Manchester, Birmingham, Cambridge, Bristol, London West End, Croydon or Tottenham offices; or Joan Swales, Information Section, ECGD, Aldersanbury House, London EC2P 2EL. (Tel: 01-606 6699, Extn. 258).



Contracts A consortium of AEG-Kanis Turbinenfabrik, a unit of AEG-Telefunken, and Steimmueller, has received a contract valued at DM87m. for delivery of a power station for a fertiliser plant in Iran, from Iran Fertiliser Corp., a unit of the National Petrochemical Co. of Iran. It calls for delivery of five steam turbines with capacity of 12 megawatts each and a gas turbine of 8.8 megawatts for the plant to be built about 50 kms. north of Shiraz. AP-DJ reports from Frankfurt.

Greyhound Leasing and Century of the U.S. has awarded a \$9.2m. order to Kawasaki Heavy Industries to build two 9,000 deadweight ton roll-on roll-off container carriers. To be delivered in December 1977 and March 1978, they will be used on a Europe-Mideast route, it said.

CTIP has won a contract worth \$50m. for the construction in Turkey for Petrokimya of a 120,000 metric tons a year vinyl chloride monomer plant and a 100,000 tons a year polyvinyl chloride (PVC) plant. Know-how will be provided by Solvic, a joint venture of Solvay, and ICI. The plants will form part of the petrochemical complex at Allaga, near Izmit.

We'll show you the business way

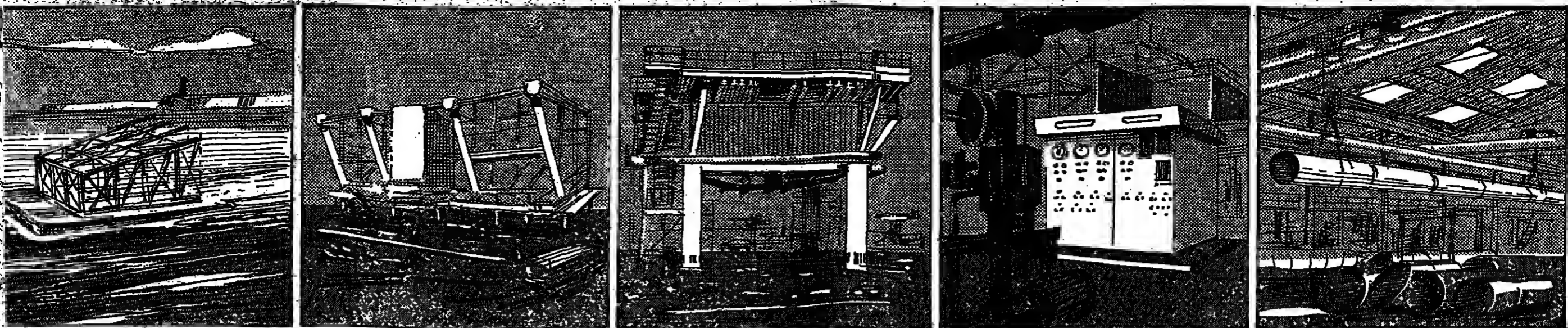
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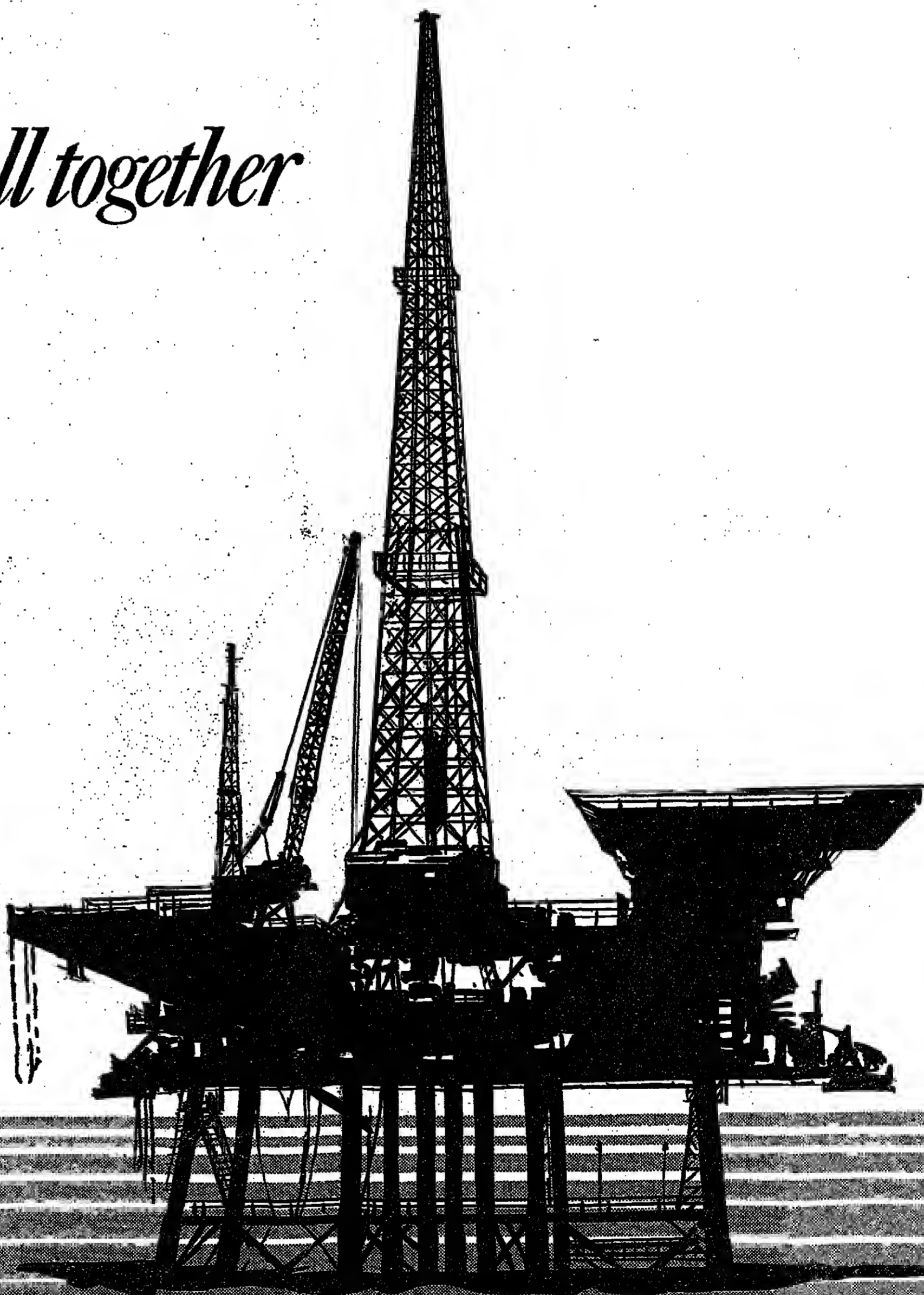
NOTICE OF REDEMPTION To the Holders of FUJI PHOTO FILM CO., LTD. (Fuji Shashin Film Kabushiki Kaisha) 6 3/4% Convertible Sinking Fund Debentures due October 20, 1985. NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated December 1, 1970, between Fuji Photo Film Co., Ltd., and Morgan Guaranty Trust Company of New York, as Trustee, all of the above-mentioned Debentures outstanding under said Indenture are called for redemption on April 20, 1977 at the redemption price of 105% of the principal thereof, together with accrued interest to April 20, 1977.



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HOME NEWS

Coal Board to explore in Queensland

BY IAN HARGREAVES, INDUSTRIAL STAFF

THE NATIONAL Coal Board, in its first major overseas venture with private industry and City finance, has won the exploration rights for a 200m. ton coal field in German Creek, Queensland, Australia.

Overseas Coal is a joint British-Australian venture between the Coal Board, Inter-Continental Fuels (in which the Board has a 25 per cent stake), AAR, and Commercial Union Assurance in the U.K. with Australian associates Austen and Buttz.



SIX HUNDRED FEET up, at the top of the National Westminster Tower in the City of London, Gary Rivers (left) and Michael McGinty (right) hold on to their helmets and the Jubilee pewee tankards which the bank yesterday presented to all site workers when Britain's tallest solid structure was 'topped out'.

The tower will have 21 lifts, 14,000 square metres of glass, and will weigh 130,000 tonnes. From the top, on a clear day, it has views over seven counties. Architects are Messrs R. Siefert and Partners, and consulting engineers Pell Frischmann and Partners.

State bus grants likely to continue beyond 1980

BY IAN HARGREAVES, INDUSTRIAL STAFF

GRANTS PAID by the Government towards the cost of new vehicles are expected to continue beyond 1980—the date at which the industry had assumed they would be cut off.

The Government will announce its decision on bus grants in the Transport White Paper in May. There is now growing confidence in the industry that the grants will be continued.

Three Midland Co-ops forge new links

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THREE BIG co-operative retail societies with a combined annual turnover of over £200m. are to get together in a new Midlands Co-operative Society.

Teachers seek central guide on curricula

By Michael Dixon, Education Correspondent

MEMBERS OF the country's second biggest teachers' union are prepared to give up some of their professional freedom to promote greater uniformity in the curricula of schools.

Incomes curb pegs retail sales

BY MICHAEL BLANDEN

THE SQUEEZE on real incomes has continued to hold down the level of spending in the shops after the slight pick-up last autumn.

Table with 2 columns: Year/Period and Retail Sales Volume (Seasonally adjusted). Rows include 1975 3rd, 4th, 1976 1st, 2nd, 3rd, 4th, July, August, September, October, November, December, 1977 January, February.

limitation of the wages policy with the continuing high level of inflation. The latest figures may also suggest that after dropping back in the latter part of last year, the proportion of incomes being put to savings could be letting out.

Harp Lager decides against new brewery

BY KENNETH GOODING

HARP LAGER, owned by a consortium of big brewers, yesterday ended months of speculation about its future by saying that it would build no new brewing capacity after its present expansion programme was completed.

Inquiry team named

BY MICHAEL LAFFERTY

THE DEPARTMENT of Trade has appointed inspectors under Section 195 (b) of the Companies Act, 1948, to investigate the affairs of Norwest Holst.

Last night, the company which has a pre-tax profit of £2.1m. last year on a turnover of £68m, said it was bewildered by the appointment of inspectors and puzzled by what it is all about.

When you're 46, you may suddenly wish you were 54.



It might be something expensive and expected like your daughter's wedding. Or as unexpected and disastrous as galloping dry rot in your house. Both call for capital.

Capital you know you'll get when your life policy matures in your mid-fifties. The problem is you're only mid-forties, so what's the solution? Standard Life Gemini. Twin benefits. Early maturity plus re-entry option.

Here is an example: A man aged 30 next birthday invests £10 per month in a 24 year Gemini policy. After 16 years he could cash in the policy for £2,989 and then take out a new with-profits endowment for up to £30 a month.

Standard Life

The largest mutual life assurance company in the European community.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on March 14, 1977. In some cases, the rates are nominal.

Large table with 3 columns: Place and Local Unit, Value of £ Sterling, and Place and Local Unit. Lists various countries and their exchange rates with the British pound.

Part of the French community in Africa formerly part of French West Africa or French Equatorial Africa. Exchange rate of C.F.A. franc to C.F.P. franc is 1:100. Rate is the transfer market rate.

Handwritten scribble or signature at the bottom left of the page.

HOME NEWS

Handwritten note: J.P. James Ltd

Energy savings may be worth £600m. a year

RAY DAFTER, ENERGY CORRESPONDENT
INGS IN THE use of pri- energy may be helping in's balance of payments...

Building trade sales fall 12%

By Michael Cassell, Building Correspondent
THE CONTINUING recession in the construction industry was reflected yesterday in the latest figures on building material sales.



Mr. David McNee, Commissioner of the Metropolitan Police, who has taken over from Sir Robert Mark as Commissioner of the Metropolitan Police.

Restore housing cuts says Labour NEC

BY MICHAEL CASSELL, BUILDING CORRESPONDENT
THE LABOUR Party's National Executive yesterday urged Ministers to restore housing expenditure cuts in the next Budget and to reduce financial help for owner-occupiers.

Arsenal rates fight goes to Lords

NAL Football Club yesterday fought a legal ruling from the House of Lords to stop being sued for rates.

More Home News on Page 18

ourt to increase the club's assessments from £8,250 to £10,000, based on pre-1973 rates.

ISL launches annual business school award

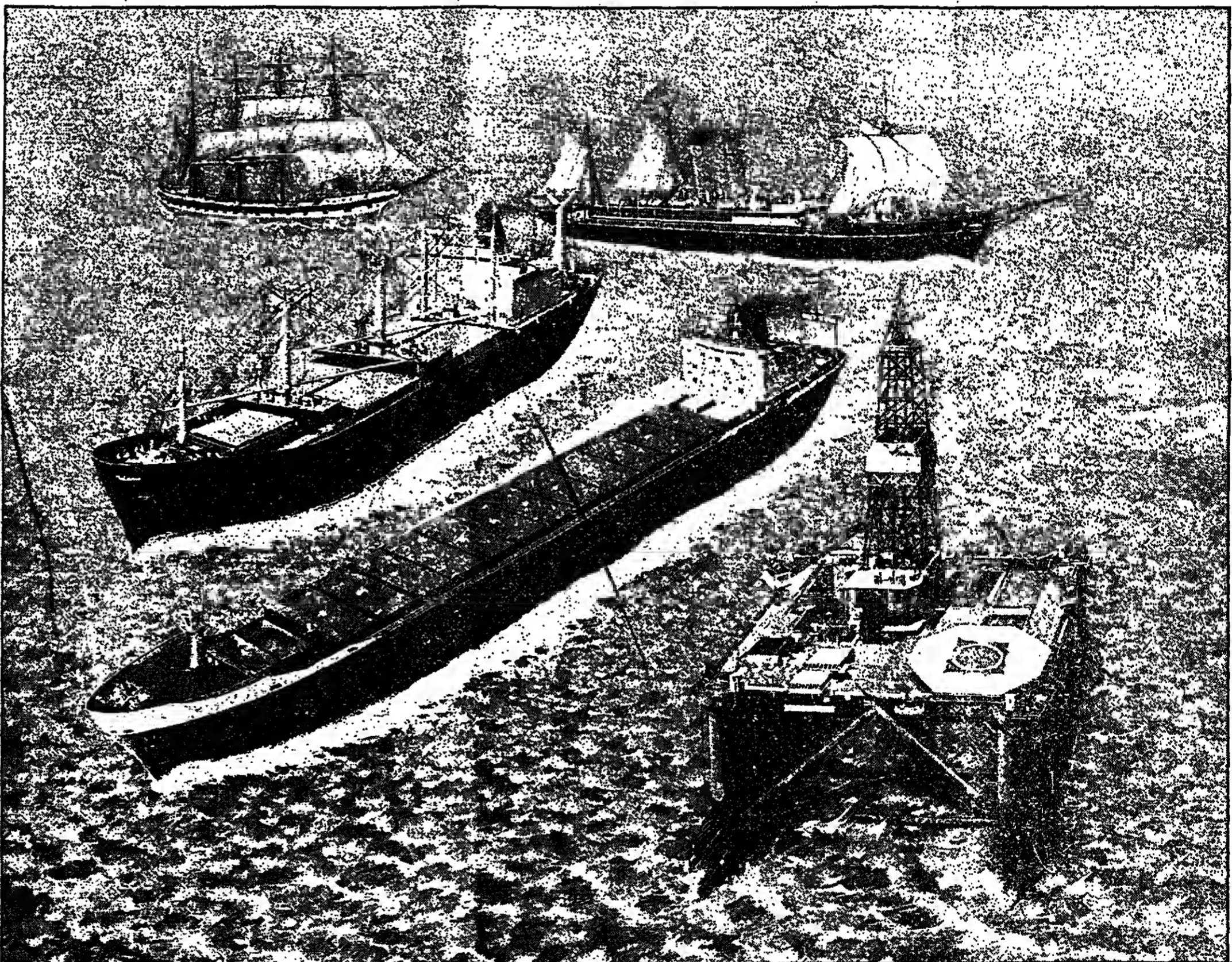
ANCIAL TIMES REPORTER
WARD for senior management students of the London Business School has been planned to undertake.

Commission cut prices by £4m. last month

ANCIAL TIMES REPORTER
REDUCTIONS equivalent to more than £4m. a year secured by the Price Commission last month.

New toyshop owners end to be specialists

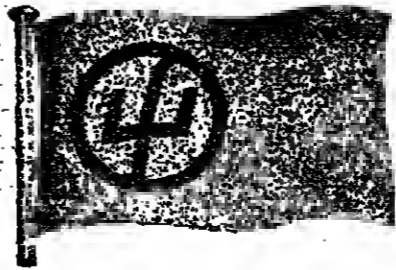
ANCIAL TIMES REPORTER
NNERS in toy retailing to specialise to a greater extent than the older traders, according to a report by the Retail Outlets Research Unit.



The Furness Withy theory of evolution

No successful business can afford to stand still. It must change with the times, adapt, evolve. Take Furness Withy for example.

We run regular cargo services to North and South America, Australia, New Zealand and the Mediterranean, and have ships on charter all round the world.



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EXCLUSIVE CONCESSIONAIRES DISTRIBUTORS

required for the marketing of THE DICKERMAN INDUSTRIAL MUCKING PUMP and VACUUM RECOVERY SYSTEMS in the following areas WEST MIDLANDS — EAST MIDLANDS SOUTH & SOUTH-EAST — SOUTH-WEST & WALES IRELAND

Finance for Growing Companies

If you are a shareholder in an established and growing company and you, or your company, require between £50,000 and £1,000,000 for any purpose, ring David Wills, Charterhouse Development.

CHARTERHOUSE Charterhouse Development, 1 Paternoster Row, St Pauls, London EC4M 7DH. Telephone 01-248 3999.

SPAIN — ENGLAND

Young Englishman married to Spanish woman in Madrid seeks serious representation for English firm operating in Madrid. Three years' experience in management and sales.

DUBAI AND U.A.E.

Do you have a product on sell but do not know how to sell it? Do you have a product on sell but do not know how to sell it? Do you have a product on sell but do not know how to sell it?

COMPONENT MANUFACTURER

is looking for a qualified and well-established engineering company to assemble precision electromechanical devices.

FOR SALE

On Anglian Waterways, good location, hire fleet comprising approx. 20 GPW motor cruisers, 2 4 and 6 berths.

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Tired of City life? Why not retreat to the countryside and farm fish for a living? With one of our modern intensive systems you can enter the fish-farming industry from £500 onwards.

WE ARE NOT CONSULTANTS!

Experienced management team with spare capacity seeks small, medium-sized businesses for growth potential.

MANAGING DIRECTOR OF ELECTRONIC COMPONENTS DISTRIBUTORS

based near London, would like to sell his interest and retire. Holds 75% shares of company.

EXPORT/AUSTRALIA

Old-established export company with strong trading and financial connections throughout the whole of Australia.

OUR WESTERN EUROPEAN CLIENTS REQUIRE

U.S.-Dollar 200 million for a loan period of ten years against state guarantee.

EXPERIENCED BUSINESSMAN

with substantial funds is desirous of investing in medium-sized importing company situated in or near Manchester.

Cash Voucher. This cash voucher entitles your company to an immediate 75% CASH AGAINST INVOICES.

Cash flow problems? Then cash this! Need Cash Now? You've got it right there on your books! Confidential Invoice Discounting Ltd gives you 75% cash against invoices.

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OLD ESTABLISHED unoccupied property company with incidental connections interested in acquiring companies or properties up to £3m. for cash and/or shares.

TAX LOSS COMPANIES REQUIRED IN: Men's Retail/Wholesale Manufacturing Trade Men's Shoe Retail Trade Metal Fabrication

LIMITED COMPANY FORMED BY EXPERTS FOR £75 READY MADE: 200 COMPANY SEARCHES EXPRESS CO. REGISTRATION LTD.

BUSINESSES WANTED Public Company would like to purchase a business in the Construction or Engineering industry with profits in excess of £100,000 p.a.

DISTRIBUTORS REQUIRED WORLDWIDE with existing connections in the wine and spirit trade so will blend Scotch whisky.

YOUR OFFICE IN REGENT STREET 24-hour manned reception service. 24-hour manned reception service.

PLANT AND MACHINERY CHOICE OF 65 USED FORK LIFT TRUCKS, ranging from 1,500 to 12,000 lbs capacity.

Entertainment Guide

OPERA & BALLET COLISEUM. 01-238 3767. (C) 1985 NATIONAL OPERA. Performance: 7.30 p.m. 10.15 p.m.

THEATRES ADELPHI THEATRE. 01-238 7811. Performance: 7.30 p.m. 10.15 p.m.

COMEDY 01-238 2574. Performance: 8.00 p.m. 10.15 p.m.

DRURY LANE. 01-238 8100. Performance: 8.00 p.m. 10.15 p.m.

ROYAL OPERA HOUSE. 01-238 3767. Performance: 7.30 p.m. 10.15 p.m.

ROYAL OPERA HOUSE. 01-238 3767. Performance: 7.30 p.m. 10.15 p.m.

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LABOUR NEWS

Senior union official fails to end Linwood car strike

OUR GLASGOW CORRESPONDENT

LATEST attempt to settle a 10-day strike at Linwood Chrysler's Avenger and other cars broke down in the night... Mr. Peter Griffiths, managing director of Chrysler U.K., and Mr. Grenville, a national secretary of Transport and General Workers Union...

Pressure

Pointing out that these conditions affect all Linwood employees, the stewards refused to sign the document when it was presented by the company at talks last Friday... The two distinct but linked disputes in K block involve the men's demand for increased staffing in those areas of the plant under most pressure to increase productivity.

Plessey lock-outs end at three plants

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

PLESSEY MANAGERS checked out of local hotels and regained possession of their offices in three of the company's Merseyside factories yesterday when a meeting of staff at the Edge Lane factory voted to end lock-outs of management... The occupation of a fourth factory, at Kirby, continues because, according to local union officials yesterday, the plant is a special case.

The unofficial lock-out began at Kirby ten days ago and spread to Speke, the other plant due to be closed, then to Edge Lane, the headquarters plant, and Gilmore.

Managers set up offices in hotels in Liverpool and Chester. But at another plant, at Everton, managers had been organising round the clock watch, and sleeping on the premises, to stop the workers taking control.

The protests followed Plessey's announcement that because of the cutback in Post Office ordering of telephone exchange equipment about 4,000 redundancies, of which 1,848 were in the North West, would have to be made. It said 870 people in the North West could be found other jobs by redeployment and retraining, leaving a surplus of 1,278.

Safety inspectors' case goes to court

By Our Labour Correspondent

THE HEALTH and Safety Executive, which is responsible for safety inspections and prosecutions in factories, mines and nuclear power stations, went to court yesterday to defend its own legal standing.

The appointment of the executive's director general and thus in turn of his two assistants and of the inspectors themselves has been challenged on a technicality.

Magistrates at Wallsend, Tyne and Wear, refused to proceed with prosecutions of two companies, Wallsend Slipway Engineering, and Erms and Company, because they were not satisfied that the executive was validly appointed.

One company was being prosecuted for alleged breach of asbestos regulations, the other for breach of construction rules. The case, in which Lord Chief Justice Widgery is presiding, continues to-day and judgment could come to-night.

Massey returns to normal working with dispute unresolved

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MASSEY FERCUSON returned to normal working at its Coventry tractor plant yesterday after the bitter 11-week strike which has cost £57m. in lost production. But the issue at the centre of such a procedure has still to be agreed.

At issue is a piecework row, over the maoning levels and rate to be paid on the new 500 Seriesof tractors introduced last May.

Negotiations towards the company's planned output level of 60 tractors a shift proved protracted and, rather than limp along at a low level and see its market share eroded both in the U.K. and overseas, the management forced the issue by refusing to pay cab assemblers.

Last night the company refused to comment on when the level of 48 tractors a shift would be achieved. However, the company was taking a distinctly more optimistic view of its prospects than expressed over the past few months.

The return to work formula side-stepped this issue and dealt only with the procedure for resolving disputes. The company has agreed that, until discussions have been completed with the trade unions on an improved procedure, the management will not take action—such as stopping workers' pay—

hopworkers appeal against gas increase

UNION of Shop Distributive and Clerical Workers has protested to the Government against a proposed 10 per cent. increase in gas prices. Lord Allan, the union's secretary and chairman of the UC economic committee, yesterday appealed to the Prime Minister to reconsider the increase.

Docks row split

A German coaster stranded by a dispute at Bristol's new West Dock, will sail to-day, although a row over dockers' pay goes on. The dockers' shop stewards resigned when the man refused to unload the ship, Edith Sabban, and they now have no-one to represent them.

Lobby protest

Shop stewards representing staff and manual unions in the aerospace industry are to lobby Parliament to-day because of fears for the future of the industry.

Tyre plant strike

Car tyre production was stopped at Goodyear's factory in Wolverhampton yesterday because of an unofficial strike by 250 men over piecework rates. Another 850 after the rejection of its workers have been made idle.

Executive post in Tube Investments

Mr. R. S. Lever has been appointed managing director of Tube Investments Group. Mr. D. J. F. of the bank from April 1. Mr. Row Hoppe, a member of the board, has been appointed an executive director.

Mr. E. N. Huggins, chairman of AERONAUTICAL AND COMMERCIAL INSTRUMENTATION, has retired and the company has been acquired by the Bamberg Group, a member of the Eagle Companies. Its Board now consists of Mr. H. R. Bamberg (chairman), Mr. G. Mason (managing director), Mrs. M. Goldsworthy-Higgs (company secretary), Mr. P. R. S. Cripps, Mr. H. A. Hobbs, Mr. D. T. Neal and Mr. R. Poulton. Mr. Mason and Mr. Hobbs have been with the company since its inception 14 years ago.

Mr. R. T. A. Dixon has been appointed to the Board of the LANE FOOD COMPANY as sales director. He joined the company last year as general sales manager from BHM Foods.

Mr. Christopher Penman has been appointed director-general of the INSTITUTE OF SALES MANAGEMENT, Leamington Spa. He was previous general sales manager for Bost Foods.

Mr. Tom Nisbet is leaving CHARLES BARKER LYONS to join the Board of HILL AND KNOWLTON U.K. in April. He will be succeeded as managing director of Charles Barker Lyons by Mr. Keith Payne, who is at present assistant managing director.

Mr. John R. Potts has been appointed financial director of HOGG ROBINSON GROUP from May 1. He is at present financial director of F. W. Woolworth and Co.

Mr. Peter J. Maitland, a director of Jays Insurance Services and Barclays Insurance International, has been appointed managing director of the company.

F. W. Crawley, a joint manager of LLOYDS, has been appointed as chief general manager.

Base Rate Change BANK OF BARODA Bank of Baroda announce that, for balances in their books on and after 15th March, 1977, and until further notice their Base Rate for lending is 10 1/2% per annum. The deposit Rate on all monies subject to seven days notice of withdrawal is 6 1/2% per annum.



Not everybody is bleating about the economy.

Although it may be difficult to believe, with everything you read and hear these days, there are companies in Britain actually prospering and expanding. We know of plenty in one area alone. Thriving, successful companies who have already realised the advantages of being in Central Lancashire New Town. For a start its position, right at the centre of the nation's motorway network, with nearby ports and airports, is attractive in its own right—quite apart from obvious financial incentives. Then there's the existing workforce, one of the most skilled and reliable in Britain today. And Central Lancashire's continuing development programme is ensuring a steady supply of factories and warehouses for new growth. Housing, both for sale and rent, will be plentiful too. Not, we hasten to add, in an urban sprawl, but as a series of carefully planned villages each with its own pub, village green, and shops. All in all, it adds up to one of the most exciting New Town developments in Britain today. If you'd like to know more about Central Lancashire, write to our Commercial Director, Bill McNab, Central Lancashire Development Corporation, Cuerden Pavilion, Bamber Bridge, Preston PR5 6AZ. Telephone: 0772 38211. Central Lancashire The foundation for your future.



# FINANCIAL TIMES REPORT

Tuesday March 15 1977

# Australian Banking and Finance

## New controls on lending

James Forth

ADDITIONAL BANKS in Australia are currently operating under monetary controls. They are not subject to a full scale credit control but are nevertheless subject to the Reserve Bank's monetary policy. They include a substantial portion of the banks' deposits along with other financial intermediaries, such as the finance companies, merchant banks and credit societies.

This latter trend is significant. The trading banks have operated under the Reserve Bank's central bank. The Reserve Bank has the power to control the banks' rate of lending, liquidity ratios, and influences interest rates.

The Reserve Bank, however, had no power to control the other financial intermediaries, including the savings banks and credit

The Australian banking world is going through a period of change, generated in part by legislation, and in part by government anti-inflation restrictions.

unions. This has been a weakness in the system affecting the efficiency of monetary policies. Whenever the squeeze is vigorously applied to the banks, the other segments of the financial community, untrammelled by official controls, have taken up the running. Not surprisingly the "unofficial" segments, particularly the finance companies, have grown at a much faster pace than the banks in recent years.

In 1975, the Reserve Bank was given its missing "teeth" with the Financial Corporations Act. This legislation gave the Bank sweeping powers over all financial intermediaries. It can control lending policies, set liquidity ratios and, most importantly, dictate interest rates.

Until recently, the Reserve Bank had taken no steps to enforce its new powers, preferring a low key approach. The main reason for the Financial Corporations Act was to use its powers to obtain detailed data and statistics from the market information which up until then was not available. Some of these statistics were recently published for the first time and showed that the assets of the "unofficial" sectors were substantial.

At September 1976, the finance companies alone had assets of \$A11,626bn, while

money market corporations had assets of \$A3,037bn. The size of the figures is said to have raised the eyebrows of some politicians in Canberra. The Australian Government is currently preoccupied with the size of its budget deficit, which is forecast at \$A3.5bn for 1976-77. The Government believes the deficit must be reduced to help bring down the rate of inflation. This has caused some nervousness among the "unofficial" sector that the revelations of their size may prompt the Government to require that they place a percentage of the funds in Government securities—the banks already have such a requirement.

## Curbs

In November the Reserve Bank began to flex its muscles when it was announced that the trading banks would be expected to curb their rate of new lending.

The banks had been restricted to overdraft lending of between \$A90m and \$A100m a week since 1975 under Reserve Bank guidelines. They were called together and told to make sure a limit of \$A90m a week was adhered to. At the same time, the Reserve Bank warned that the Reserve would monitor their acceptance of commercial bills. In the past when the overdraft door was closed to the banks they extended credit to com-

panies through acceptance of a remarkable growth. Annual turnover is running at more than \$A700m. Despite the rapid growth in outstandings, the banks are still losing money on Bankcard. A major factor is that users are paying their accounts much faster than originally estimated.

The merchant banks are one grouping which is not doing very well. Many of the larger merchants carry big money market operations which have been hit hard by rising interest rates in recent months. Heavy losses from money market activities is likely to reduce profits in 1976-1977 for many merchants. Activities elsewhere have been fairly quiet.

But the representatives who attended the morning tea sessions at which they were reportedly plied with cream buns—were left in little doubt that they ran the risk of official controls if they choose to ignore the Reserve's wishes.

Despite the curbs on lending, the banks did well in 1975-76 and, judging by the profits for the first half, the majority are coping quite satisfactorily in the current year, far better than many of their corporate customers. Partly, the improvements have come from higher contributions from the finance company subsidiaries, but the bank operations overall have also done well.

One area where the banks are doing well is with their credit card. Known as Bankcard, the card was introduced jointly by the banks a little over two years ago, and now boasts about 1m. cardholders—

several state governments. The Treasury is opposed to creating a national rural bank but feels that if it is to be done it could be best achieved by splitting the existing Commonwealth Development Bank into two entities—a Commonwealth Rural Bank and a Commonwealth Industrial Development Bank. The private banks are also opposed to the proposed new bank.

The private banks have also suggested a method by which they can participate if the Government decides on a rural bank. They have suggested a private-Government corporation involving the banks, pastoral bosses and insurance companies together with the federal and state Governments. The corporation would provide refinancing and have a direct loan capacity with the Commonwealth Development Bank, providing finance at low interest rates, and the private partners providing finance at normal commercial rates.

## Confidence

The Queensland Government is also keen to enter the banking arena, but in trading and savings bank operations, in direct competition with the private banks. The Government is reportedly considering taking control of the small bank of Queensland and boosting its activities.

Overall, the key to better times for the banking and finance industry is whether the Government's current anti-inflationary policies work, particularly the efforts to restrain the growth in wages. If the inflation rate does start to turn down in the second half of 1977 there would be scope for reduction in interest rates.

That in turn should boost confidence and generate greater investment, leading to a pick-up in economic activity.

JP... 15

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## Investor protection

IN THE Financial Corporations Act was passed by the Australian Parliament in 1974, and can also impose LGS ratios, which require the banks to hold a given percentage of their assets in cash, liquids and Government securities.

The Reserve Bank can also control interest rates paid or charged by the banks, their volume of lending and their areas of lending.

As finance companies began to grow in the 1950s, followed by building societies in the 1960s, a strong argument developed for extending the powers over the trading banks to the rapidly growing fringe banking sector. This was seen as a move to make monetary policy more effective and also to provide some protection for investors in the new institutions. As it now stands, the Financial Corporations Act fulfils neither of these objectives.

The need for investor protection has been raised from time to time in recent years following runs on building societies, allegations of mismanagement in credit unions, the collapse of a major finance company and large write-offs by other financial institutions as a result of imprudent over-extension into property development. Depositors in trading and savings banks are protected by the fact that these

## Argument

institutions enjoy "lender of last resort" facility with the Reserve Bank. In theory, they should never become insolvent as long as the Central Bank continues to print money.

The only other institutions to have the LLR facility are Australia's nine authorised money market dealers.

Investors and depositors with all other financial institutions in Australia, however, have no more protection than investors in normal companies.

There is no provision in the Financial Corporations Act for the extension of LLR to these other financial institutions and on all indications the Reserve Bank would strongly oppose any such extension.

One other way of reassuring investors would be through the maintenance of liquidity levels among these institutions in the same manner as the banks are obliged to. The situation here is that so far only the first three parts of the Act have been proclaimed—requiring corporations to register and supply statistics. Part 4, containing the powers to set asset ratios, has never been proclaimed. It could be proclaimed quite quickly if necessary, but for the moment the Reserve Bank is content to collect the statistics, confer with the finance companies and building societies occasionally and hold its powers under the Act in reserve.

It is very much a policy of speaking softly and carrying a big stick. One point which has become apparent from the statistics is that any imposition

Category	No.	Total Assets	Cash and Govt. Securities (%)	LGS (%)	Standby liquidity denot. (%)	LGS inc. Rep-resent. (%)	Non-standby (%)
Building Societies	(90)	5,584	135.0	2.4	237.4	6.7	4.8
Credit Co-operatives	(41)	481.5	7.7	1.6	5.3	2.7	—
Authorised Money Market Dealers	(9)	1,036.8	894.6	86.3	0.5	86.3	—
Money Market Corporations	(44)	3,284.0	180.3	5.5	773.8	29.1	456.3
Pastoral Finance Companies	(14)	753.0	6.4	0.8	41.8	6.4	—
Finance Companies	(84)	12,064.2	27.6	0.2	777.9	6.7	368.0
General Financiers	(51)	661.1	1.7	0.3	130.4	20.0	50.1
Intra Group Financiers	(10)	326.0	0.2	0.1	11.1	3.5	5.0
Other Financial Corporations	(2)	36.9	0.2	0.5	1.8	5.4	—
Total	(345)	24,237.7	1,253.8	5.2	1,979.7	13.3	884.1

of an LGS ratio would have to vary considerably between the different categories of institution. Also, any move to drag the LGS ratios of these institutions into line with those of the banks would have to be very gradual as they are mostly well below bank levels at present. The accompanying table illustrates the position.

## Discrepancy

A hidden factor is the wide discrepancy which exists between individual companies in the same category. For example, the category "money market corporations" includes unofficial dealers who would hold large bond portfolios and merchant bankers who might hold none.

The areas which have aroused the most concern recently have been the financiers, building societies and credit unions. These are the three categories which attract money from small investors and they are among the lowest in LGS ratios. Their size is significant, the financiers accounting for half of all the assets among the fringe banks and the building societies for nearly a quarter. Bringing their liquidity levels closer to those of the banks would be a gradual and delicate exercise.

As the Reserve Bank has so far relied exclusively on jawboning to discipline these institutions (and the Reserve Bank's brand of jawboning is especially discrete) it could be a very gradual exercise indeed.

Trevor Sykes

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# Money for minerals

STRALIAN MINERAL development is poised at its most important stage since the late 1960s. Resources are being developed or decided on in the 1970s.

The chances of new Australian iron ore projects getting off the ground in the reasonably near future are more remote. In a round of decisions announced in Australia late last year, the Japanese opted for expansion of existing Western Australian iron ore mines to meet immediate demands, rather than for the opening of new deposits.

At almost precisely the same time, the Japanese signed a letter of intent with Brazil covering the delivery of 284 tonnes of iron ore over 15 years from 1979.

New Australian resource developments do not hinge exclusively on coal and iron ore—the huge Northwest Shelf liquefied natural gas project, for example, is scheduled to come on stream in the 1980s—but the uncertainty surrounding the major coal and iron projects at present is leaving national mineral exploitation at a fundamental crossroads.

The coal and iron ore mineral wealth is in the ground, proven up and costed.

## Embarrassment

But in a financially embarrassing situation where Australia was forced to sit on major undeveloped coal and iron ore projects indefinitely, the nation would have at least to consider the possibility of forgetting boom times and cutting back on its mineral wealth expectations.

This does not mean that there is no real growth in Australian mineral development. Last December in the biggest mineral development decision taken in a decade, the commercial green light was given to the \$1.1bn. Alwest bauxite-alumina project in Western Australia.

The project, which has teetered close to oblivion many times since it was first proposed seven years back, envisages a first stage which will cost \$4650m and produce up to 1m tonnes of aluminium a year.

A second phase is expected to follow the first immediately, bringing an added investment of \$4350m (1976 dollars) and doubled production. And last September, even though the Japanese decided not to develop new iron ore mines at present, the Australian iron ore extraction industry received a flip with the Japanese steel mills' decision to take an additional 8m tonnes of ore a year from Hamersley, an extra 3m tonnes a year from Robe River, and a further 3m tonnes a year from Mount Newman.

The additional 12m tonnes (for delivery from 1979 onwards), representing the first major new Australian ore contracts for 11 years, will involve capital expenditure of nearly \$4600m. The developments will also involve a significant extension to secondary processing by the iron ore miners.

The Mount Newman project will also spend about \$2240m to upgrade plant and other facilities to a total capacity of between five and six million tonnes a year.

The Robe River project will spend about \$480m to supply its additional 3m tonnes of ore a year to Japan. In October last year, commercial interests in the \$4100m. Agnew nickel project also decided to proceed with development.

This project—a partnership between West-ern Selcast (60 per cent.) and Mount Isa Mines—envisages production to begin in late 1978 from facilities which initially will have an annual capacity of 10,000 tonnes of nickel in concentrate.

appears certain that the big Northwest Shelf project will reach ultimate development. Woodside-Burnham recently raised more than \$413m through a premium share offer to the public, and as recently as last September assurances were given by the developers that ample scope existed within Japan to absorb the liquefied natural gas planned for production. Large markets also exist for the product on the West Coast of the United States.

The really wild card in the present Australian resource development pack is uranium.

## Commitment

Anybody interested in uranium would be aware that the Australian Federal Government is committed to wait on the full report of Justice R. W. Fox into the impact of uranium exploitation before a formal decision can be taken on whether Australia should or should not mine and sell this particular mineral.

The first Fox Report, released late last year, bedged its bets by urging a full public discussion within Australia of the uranium question. It made no firm recommendations one way or another, but it is noteworthy that the report did not come down against uranium mining in Australia.

The Australian uranium lobby is on tenterhooks waiting on the second Fox Report, which is to be made public soon (but exactly when is secret).

Uranium mining in Australia, which has some of the world's richest reserves, would give a huge shot of adrenaline to the Australian mining industry, but precisely what it would mean in dollars and cents is still unclear.

a year, which could be quickly raised to 6,000 tonnes a year. If the Fox demand estimates are correct there would be very little left for Australia's other uranium hopefuls.

Western Mining Corporation is looking to an annual output of around 2,000 tonnes, rising to 3,000 tonnes. Queensland Mines production would be more than 1,000 tonnes a year, while Noranda's production would be about 2,000 tonnes a year.

Overall, it is obvious that neither the present Fraser Government nor the previous Whitlam Government have emerged with much credit from the recent history of Australian mineral development.

Finally, Australia must still look to coal as the real star in the national portfolio of minerals.

In 1976, coal replaced wool as Australia's largest export earner (with exports valued at \$4973.9m, or 10.2 per cent. of Australia's total exports by value, against wool's 10 per cent.).

If any of the nation's major new coal prospects get development approval, coal will leave wool far behind in export performance.

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# Cards catching on

ALTHOUGH two and a half years after its launching, Bankcard—the chargecard service of Australian banks—has 1.1m holders, more than 60,000 and a turnover probably exceeding \$4600m a year. The degree of acceptance and satisfaction has in itself been a factor accelerating growth.

Bankcard operates alongside in-house credit systems in most of the major retail houses, including David Jones, Grace Bros, and Waltons. The only major retailer to hold out is the biggest of them all, Melbourne based Myer's, now described as the largest retail chain in the Southern Hemisphere.

Compared with the longer-established charge cards, Bankcard has the obvious attractions of providing continuous credit with no annual charge or joining fee. It is highly efficient, secure and easy to use for all the parties concerned.

The quoted figure of 60,000 outlets is, in fact, quite conservative since it is based on the number of firms using the system. The member banks themselves, for example, have something like 7,000 branches which could be added quite legitimately to the total.

The establishment period is now all but over and it is quite likely, according to Bankcard's executive chairman, Mr. Geoffrey Whittaker, that some of the member banks will be showing profit within the time-scale originally projected.

But the banks regard that question as their own business and none is willing to talk about it, probably because their internal differences in costing and administration could lead to misleading comparisons, and because Bankcard records are not consolidated centrally there is no official figure for total volume or number of transactions.

Nevertheless, the basic cost problems of Bankcard are obvious enough, Mr. Whittaker says that income is not out of line with original projections but costs are a matter of concern to member banks.

As the planning stages, the scheme had been expected to reach profitability within three or four years. That was a guessimate trying to take account of many unknowns but it probably would have been close to the mark if conditions then prevailing in the Australian economy had remained more or less stable.

Test  
The launching was in October, 1974, in Sydney, Melbourne, Canberra and their surrounding districts, and the system coped comfortably with the test of that year's Christmas trading. Twelve months from the start, Bankcard expanded to Brisbane and Adelaide, 12 months later to Perth and Tasmania. Now there are only a few country areas of Queensland and Western Australia outside the Bankcard net and they will be drawn in by about the middle of this year.

As the volume of transactions has risen, the unit cost of handling at Bankcard's central service bureau has been markedly reduced. The trend is going well, says Mr. Whittaker.

But the cost of money is the greatest concern and the trend line there is simply impossible to predict in present Australian conditions. Bankcard charges its cardholders 1 1/2 per cent a month on outstanding balances, whether for purchases or cash advances. (This compares, incidentally, with 2 per cent a month in Britain and 1 1/2 per cent in most of the big Australian department stores.)

The rate has been unchanged since the start of Bankcard despite the way inflation has taken off since 1974. Continued solid growth will provide Bankcard with a useful buffer but, clearly, the Federal Government's monetary policy will be crucial to profit calculations over the next couple of years.

The banks are reasonably confident that growth will continue. "Until we have a little more experience," says Mr. Whittaker, "we won't be able to say with any certainty whether Australians are prepared to use credit at the same rate as, say, Americans. But we are inclined to think that they will. Australia ranks third behind the United States and Canada in use of consumer credit—and consumer credit is what Bankcard is all about."

On the other hand, it is arguable at the moment whether viable rural producers are finding credit any more difficult than a good many medium to small businesses in the manufacturing sector. On that basis, the Commonwealth Banking Corporation scheme would gain some supporters in cabinet from ministers not so directly concerned with rural issues.

One of the Government's less-remembered promises from the 1975 election campaign was "the viability of finance for small business investment will be increased. We will encourage financial institutions to make adequate loan funds available for small businesses and we will consider the possibility of loan guarantees as a means of achieving this objective."

K.R. Kenneth Randall

Michael Byrnes

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firm financial problems

arm CONTINUED FROM PREVIOUS PAGE

the splitting of the wealth. Development into two new entities—Commonwealth Rural Bank and Commonwealth Industrial Development Bank.

The first idea is the reluctant child of the Australian Bankers' Association, representing the major trading banks, the Commonwealth Savings Bank, one of the big along with the Commonwealth Bank (in the Commonwealth Banking Corp's Group. The second, curiously, comes from the pressure from the government. The Corporation no secret of its attitude submission it sent to the present 1st December.

Obviously, however, the CDB scheme would cut into the existing business of the other banks and rural financiers. Thus, the competing proposal from the Bankers' Association, suggests a corporation involving the banks, pastoral houses and insurance companies from the private sector, and the federal and state Governments.

It is envisaged that all would hold equity interest and provide loan funds to augment the existing rural facilities of the present Commonwealth Development Bank. The private sector participants would provide the Corporation with funds at normal commercial rates, while the governments would take a lower return on their



# The Management Page

*John Elliott*

EDITED BY JOHN ELLIOTT

CURRENT COST ACCOUNTING

## Principles, politics and practice

BY SIMON ARCHER

RECENT YEARS, manufacturing industry in Britain has received less than its fair share of talent and other resources compared both with non-manufacturing private and the public sector. A need to correct this imbalance, given the essential role manufacturing industry in national economic performance, recognised in official circles, has led to the Government's current industrial strategy. Against this background, the approach to price-level accounting taken in the Sandilands Report presented a number of political advantages.

Current cost accounting (CCA) outlined in the Sandilands Report concentrated on charging the cost of the historical cost physical assets—stocks, plant and equipment used up in earning that revenue. That is, it treated the fact that the operating capacity of a business is not just on its physical assets but also on the monetary value of its working capital (including monetary assets) as a price-level change of the operating capacity of the business of these monetary assets.

Manufacturing businesses in distribution, the proportion of circulating monetary assets to total assets is generally less than in the case of finance houses and similar businesses. For example, the case of Barclays Bank, stockbrokers Phillips and it would have been reduced approximately three-quarters if it had been taken into account that changes in the operating capacity of its monetary assets.

### Endorsed

In spite of this shortcoming, the Sandilands approach has been substantially endorsed by the Inflation Accounting Steering Group in its Exposure Draft of ED18. Accounting for the impact of price-level changes on the value to the business of circulating monetary assets is a certain conceptual and technical difficulty. Adherence to the Sandilands approach, however, is a matter of principle. The fact that the banks would be using a different accounting system on condition that a standard from that used by other working parties be set other businesses would make it difficult to study a possible "special measure" whereby they were to be treated differently from other businesses.



Mr. Simon Archer

reason why they are unlikely to get much sympathy is that a downward adjustment of profit in respect of a monetary asset in the books of a lending organisation could only be allowed to affect the lender's taxable profit if the corresponding liability in the borrower's books gave rise to an upward adjustment of the borrower's taxable profit. The two adjustments would not need to be for identical amounts, however, provided the sum of all tax relief given to all lenders in any tax year was offset by the sum of all additional tax payable by borrowers for the same year.

### Dilemma

No doubt those who govern us are perfectly aware of the banks' dilemma, but shrewdly prefer to let the banks cope with the problem as they think best. Politically, this is far more palatable than increasing the tax burden on manufacturing industry—so as to compensate for a loss of tax from the banking sector.

The agreement by the banks to refrain from publicly rejecting ED18, and to accept that a separate working party will look into their specific problem, suggests that they may have fallen for a "divide and rule" ploy. If this working party comes up with an acceptable method of accounting for the impact of price-level changes on the banks, the chances are that this will not be allowed to affect the banks' taxable profits.

Unlike ED18, the report of the Richardson Committee of Inquiry into Inflation Accounting, in New Zealand (issued late in 1976), did not duck the monetary asset problem. The Richardson Report provides a

guideline to the classification of monetary assets into circulating and non-circulating (fixed). It then proposes the use of a general price-index to calculate the price-level adjustment to operating profit in respect of circulating monetary assets. One may quibble with specific items included in, or omitted from, the list of circulating monetary assets, as one may prefer a weighted average of specific indices and a general price index to the use of the general index alone. These, however, are not fundamental issues.

### Approach

In this modified approach, borrowings and net monetary assets would be defined and treated as follows. For simplicity's sake, any excess of total liabilities over total monetary assets would be treated as borrowings, and any excess of total monetary assets over total liabilities would be treated as net monetary assets.

### Reinforce

The "unit of measurement" argument, although invalid, has been used to reinforce the view, seemingly prevalent in official circles in the U.K., that an accounting system which fails to show price-level effects on monetary assets is "just what the doctor ordered." Official circles have reason to be satisfied with ED18 in that regard, but there is no reason for the accounting profession to share that satisfaction.

Another proposal in the Richardson Report is more controversial, though it reflects a viewpoint which has a number of supporters in the U.K. It is the proposal to calculate a gain or loss on borrowings. This gain or loss would be equal to the total movement on revaluation reserves for the period, multiplied by the ratio of borrowings to total assets. The gain or loss on borrowings, together with interest and tax, is added to or deducted from the "operating profit of the enterprise" to give the "profit attributable to the owners."

While I believe that the Richardson Committee's proposed treatment of the adjust-

BOOK REVIEW

BY ADRIAN HAMILTON

## Limitations and problems of industry's spokesman

The CBI, by Dr. Wyn Grant and Dr. David Marsh, Hodder and Stoughton, price £8.50

THE CONFEDERATION of British Industry proposes, through the Trades Union Congress, to amend the ever-fashion-conscious world of academic social and political studies the CBI has failed to attract the attention and research studies that the unions have.

Dr. Wyn Grant and Dr. David Marsh's study of The CBI published this week—the first full-length study of the organisation—is at least a sign that the Confederation is beginning to get more recognition. Or, as the authors might put it, that the CBI warrants investigation at a time when political scientists are becoming more interested in pressure groups. As a book it is useful rather than good, long on the ritual academic references to others' theories and rather shorter on revealing description of how the Confederation developed. It also suffers from stopping at the February, 1974, election and thus missing the quite important developments that have occurred since under the new regime of Lord Watkinson and Mr. John Methven.

But it does show many of the inherent limitations and problems of the CBI's position as the primary spokesman for industry. Formed out of a merger of the Federation of British Industries, the British Employers' Federation and the National Association of British Manufacturers, in 1964, from the beginning it was resented by some of the smaller companies as a "tool of Government policy."

At its most obvious this has always led to an inherent conflict between the "backwoodsmen" of its membership and the more liberally inclined officers of the organisation (themselves influenced by the larger corporations who carry the greatest weight in the CBI). And at its most extreme it has resulted in the clashes and deterioration in morale that followed Sir Campbell Adamson's infamous remarks on industry's attitudes to union legislation just before the 1974 February election.

Equally, there has been the inherent contradiction of an organisation meant to represent private enterprise and freedom from Government intervention set up largely to deal with Governments and its interventions. This has always led to an ambivalence in the CBI's attitudes to legislation—does it oppose developments outright and thus risk having them imposed anyhow, as it did with the Indus-

trial Expansion Act of 1968 and as many of its members now want it to do with Bullock? Or does it reluctantly accept that it cannot change political commitment and attempt to draw their teeth and modify them in practice, thus risking the possibility of being sucked in for no good reason and in the process losing its membership's respect?

This certainly happened with the 1972 Industry Act, when the CBI was totally caught off guard by the Government's inclusion of the notorious section 8 allowing selective aid in exchange for equity shares and in a sense it also happened during the voluntary price restraint of 1972-73 when CBI members agreed to hold back prices for a period only to be caught out by a compulsory freeze at the end of it.

It is here that the contrasts with the TUC become most apparent. The TUC, although no more truly representative than the CBI or any more capable of making its members do what they don't want to do, has always been able to influence (though not direct) policy because successive governments have had to come to terms with the power of the unions and the TUC is the only way they can hope to effect this. In consequence, its structure has evolved with little concentration on the back-up research but a great deal of effectiveness in presentation and political lobbying.

The CBI is the reverse. Government has rarely had to come to terms with it on policy except in particular situations like Edward Heath's price restraint (although even here the CBI got little in return). Where they have been strongest is in the back-room analysis and relations with the civil service (particularly the Treasury) and where they have been most effective is in changing the implementing details of the policy precisely because it is in implementation that civil servants need their advice (as on pollution controls) and politicians don't mind so long as the mood and fashions of the moment and the situation principle remains unchanged.

By its nature the CBI is an organisation of appearance rather than reality, since reality in business lies in individual company decisions which must, if a competitive system is to be diverse. The fear must be that its leaders themselves will mistake appearance for reality and that authors like Dr. Grant and Dr. Marsh, by concentrating on the organisation as a pressure group acting in a vacuum, will forget that the Confederation is primarily a reflection of the mood and fashions of the moment and the situation principle remains unchanged.

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TUESDAY, MARCH 14, 1977

Not yet good enough

DESPITE their wild month-to-month fluctuations, it seems safe to say that the trade figures show a considerable underlying improvement in the current account balance. Indeed, it would be astonishing if they did not.

This is undoubtedly good news as far as it goes; but it does not go far enough to justify the minor celebration which was staged in the markets yesterday after the announcement.

Whether measured by the growth rate of manufactured exports or by the progress of the balance of trade apart from oil, which would reflect any import-substitution, the British economy remains painfully slow. Exports of manufactures are growing at perhaps 5 per cent. annually—not much over half the growth rate of world trade.

French Left keeps up momentum

THE STEADY electoral progress of the French Left has once again been confirmed in Sunday's first round of municipal polling, a vote that has been widely billed as a dress rehearsal for next year's Parliamentary elections.

But the trend has not been the same all over the country. While the two left-wing Parties have done unexpectedly well in the traditionally conservative West, and to a certain extent in the East, they have not made the sweeping gains they were hoping for in Paris.

M. Chirac is probably right in believing that a victory of the Left can still be averted in the Parliamentary elections. But there are two major pre-requisites, neither of which will be easy.

New York: what it's like down the primrose path

By STEWART FLEMING in New York

WITH A flick of the wrist Mayor Abraham Beame of New York has conjured up \$600m. to save his city from threatened default.

Wednesday of last week was not the first time, and the betting is that it will not be the last, that the city fathers have "found" such sums in the catacombs which are New York's accounts.

The mayor's stopgap devices included an estimate that some \$400m. would come in from the future sale of city mortgages, "found" cash of tens of millions of dollars, and savings from city debt exchanges still to be agreed.

The "discovery" of \$600m. followed four months of mounting crisis, warnings of approaching bankruptcy, bitter arguments in smoke-filled rooms, and charges that the city's banks, like Citibank and Morgan Guaranty Trust, were trying to wrest control of New York from the people.

As the crisis evaporated, citizens were left asking themselves whether they had been had, and if so by whom. A bigger worry is that, perhaps, U.S. congressmen might begin to ask if it was not rather careless of the city in the first place to have mislaid the \$600m.

It is hardly surprising that the New York voters are finding the fiscal crisis hard to believe. They clearly distrust their political leaders. A recent and as yet unpublished survey showed that about 80 per cent. of those interviewed blamed the mayor, the city government, and politicians generally for not doing a good job.

Like the commuters, many of those living in the better off districts of Manhattan do not find their lives especially disrupted by the city's economies. It is one of the complaints of the real New Yorkers, who live

in the outlying boroughs of the city like Queens, the Bronx or Brooklyn, that the severe budget cuts bear too heavily on the poor and the districts surrounding Manhattan.

The visitor to Manhattan may be a bit shocked at first by the pot holes in Broadway or Fifth Avenue. They will make his taxi ride a bit bumpy, remind him not to bring his own car into town too often, but probably will not stop him visiting the elegant and famous stores in the city.

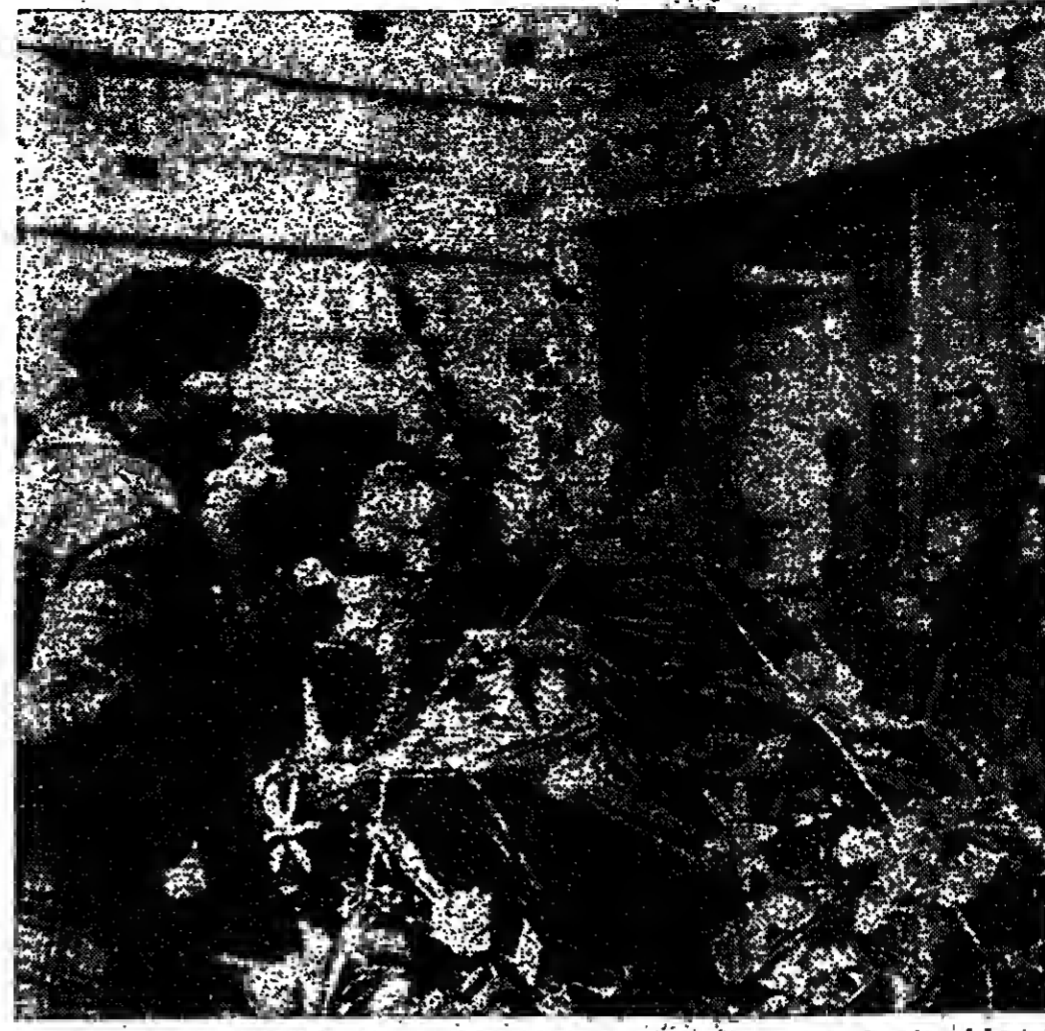
He may be more discouraged if forced to journey by subway. There are mounting complaints about the increasingly infrequent service, the reduced number of carriages in the train when it does come, and the consequent overcrowding.

Fiscal facts

The lesson of all this, of course, is that here as elsewhere the wealthy or more fortunate can buy their way out of squalor. So it is only when one begins to analyse the supply of services to the majority of New York citizens that the hard facts of the fiscal crisis emerge.

If, for example, the children in the city's schools were only being asked to learn in old classrooms, that would be one thing. But that is only part of the tale. Between mid-1975, when the fiscal crisis really began, and the end of last year the numbers of teaching staff, supervisors, guidance counsellors, and administrators fell from 73,000 to 57,000.

For years, those wealthy enough to afford it have avoided



Christmas tree with a difference: Greenwich Village residents built it from refuse to celebrate a strike that prevented collection.

seeding their children to city-financed schools, many of which have suffered from the problems caused by an influx of poor families, some without a basic knowledge of English. Cultural, racial and economic tensions, have all made teaching more difficult.

Demoralised workforce

City officials claim—and can produce figures to support the argument—that services have not done as badly as raw data would suggest. It is widely accepted that there have been offsetting improvements of productivity. On the other hand union leaders concede that the city's workforce is demoralised and that even moderately efficient management could greatly improve productivity.

needed if the city is to be run from the public. This whole episode which the banks have accused of seeking to fix with the political pro the city, has been an embarrassment to them. When they negotiate with the creditors, developing countries in the negotiations are at home, in the case of New York, they have been it has come as a sections of the public what power bankers t But if New York's resent the possibility ference from the ban political processes, the could be alleviated by ing the standard of cit Inadequate and cynical leadership is on most corrosive element city's affairs. The try for the mayoral election this year is the curse of the office, Mayor Be self a man whose credi questioned on all whose credibility was mised by his role, as Comptroller when the employing fiscal ginn contributed to its problems.

Asked how the Mr still be the front ru union official remark cannot find anyone Some observers suggest municipal unions are a groups that fear the e a strong mayor, be negotiator of wage in ment contracts.

Unions s the dang

The official went argue that given the the problem the may very important. The that Federal aid will say for the city is un correct and has been y by the Carter adm But that can hardly support the contin is irrelevant how New ducts its politics. Yesterday, howe Victor Gohsain, lead biggest union of workers, said that t "at this time" did in Mr. Beame's re-lect can take that as a sig the unions are beg realise the dangers things drift... At the very least, a of the quality of N political leadership both the availability of funds when the borrow again in the market. That could early as the end of Moreover, it is are that the Federal G to take a less indu with the city if they fidence in its leader

MEN AND MATTERS

Security conscious

Philip Iehle, standing in front of a somewhat sinister picture of himself and fellow executives starting out stony-faced from a dimly-lit room, reckoned confidently that the best telephone tapping devices are, at the present state of technology, still being outgunned by the best in detection equipment.

Iehle should know: his innocuously-named Communication Control Systems company makes both sorts of apparatus, and other items in the dirty trick inventory like a small (three by four inch) tape recorder which can slip into an inside pocket and pick up conversations 30 feet away, all for a mere \$150.

Communication Control is one of 30 American companies taking part in a security equipment exhibition in London, opened yesterday by Jay Cochran, a beefy and genial assistant director of the Federal Bureau of Investigation.

Cochran, 25 years with the FBI and now in charge of its scientific and technical activities, including a forensic department which services any American law agency requesting help, was searched twice on his way into the U.S. Trade Centre for the exhibition. Right and proper, no doubt, if indicative of a pervasive air of paranoia around at least a few of the stands.



seemed quite homely. There was an unlikely incident when the public address system broke in to ask for the return of some display apparatus borrowed, as all hoped, from one stand. Another exhibitor summed up nicely when he observed: "Any villain worth his salt should be in here, picking up the literature at least."

Comrades

International Socialist bloc relations joke. After all the wrangling, the Russians and the Chinese get together to have their own talks about détente. All right, say the Chinese leaders to Leonid Brezhnev, we will be friends, but there are conditions. Conditions? Yes, say the Chinese, who declare that they want the Russians to supply 800m. pairs of shoes, 10,000 buses and 1m. tons of rice.

Playboy's unionism

The Playboy bunnies, or at least most of them, are aiming to become good trade unionists after all. Two-and-a-half years ago there was industrial trouble at the British Playboy organisation when the white collar section of the Transport and General Workers Union claimed negotiating rights for casino staff. The management refused recognition unless there was a majority of all employees

in favour, and at a ballot that was not forthcoming. In the last few months the Playboy Staff Association has been formed. It claims that a majority of the 800 or so Playboy workers in London, Manchester and Portsmouth are members and the association is seeking independent trade union status among a bunch of three dozen current applicants who include the Walsall Lock and Keysmiths Mala and Female Trade Society.

One of the important aspects of such independence is to obtain recognition for collective bargaining. To win such status, an employees group has to go through a process of persuading the Certification Office that it is not under management sway. This situation at Playboy has been complicated by intricate staff politics. The tendency has been for some of the 250 people who hold gaming licences—the croupiers, cashiers and security staff specially vetted under the gaming laws—to suspect other colleagues of too much in the way of pro-management sympathy.

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Sign over a sundial on sale in London street market. "Made in London, 1747. Still keeps good time." Observer

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# The case for the toolmakers

Toolmakers are right in no good reason why 1,000 of them on unemployment at British Leyland should be allowed to work until their demand to be allowed to work for themselves in future is met, or, alternatively, until a system of government by collusion between unrepresentative Cabinet members and even less representative trade union is broken. Their publication of Mr. Hugh Scanlon's letter was a blow for free enterprise which we must all hope that will soon be much more than a mere existence of a

possible future for Leyland depend on that cannot be fully in this article: the management of the market for the long-term attitude of the workforce and the assessment of the "industrial" at the hour of de- A prolonged strike by toolmakers might that hour close (and if it might be doing as all

but it cannot by itself be used as an excuse for what may be wrong with the Ryder strategy.

If the toolroom men have their way, the authority of the Amalgamated Union of Engineering Workers will be eroded. To appreciate the enormity of this objection, one must remind oneself of just what it is that Mr. Roy Fraser, the leader of the unofficial strike, and his followers are asking for. It is simply the right to negotiate on their own behalf so that when the present period of quasi-statutory wage restraint comes to an end, they can use the restoration of their own voice of moderate men. They want more money, as everyone does, but they are not even trying to use their bargaining power to get it now, while one of the wage-restraint policies that has set them so far behind their legitimate aspirations is still technically in force. They are simply saying that next time round they would prefer to do their own bargaining. The case against fragmentation of the motor unions (which leads to leprologging) falls flat while the AUEW fails to satisfy all its members. You or I would hardly ask for less in their circumstances — Mr. Scanlon, like Mr. Jones and the other barons, has ceased to work on behalf of their immediate economic interest, and gone over to back in the support of the Government itself. It is no wonder that the toolroom men want to form a trade union.

You cannot run a country in which all sorts of self-interested groups are running off and holding unofficial strikes of their own. True, and this is the crux



Mr. Hugh Scanlon, president of the AUEW (left), and Mr. Roy Fraser, leader of the toolmakers' committee.

The trouble is that every now and then one or another group of employees—the policemen, say, or the toolroom men—shakes and rattles with frustration at the strait-jacket thus imposed. Carry on like this for long enough, and the TUC are seen as part of "them", together with the Government and the employers. This is an open incitement to the eruption of unofficial strikes. A better path to discipline might be discovered by a close examination of what reasonable people on the shop floor would accept.

A victory for the toolroom men might mean the end of all hope for the social contract, which could end in a wage explosion. This is one of those assertions that you can take or leave, according to taste. Sooner or later there will probably be a wage explosion of sorts, whatever happens. I know of no way of avoiding one. The real issue is whether incomes policies are worthwhile. My colleague Samnal Brittan, with Peter Lilley, has tried to convince us that such policies are a "delu-

sion," as their recent book puts it. Perhaps they are right; you cannot convince me, either way.

The current decline in the rate of increase of earnings has been accompanied by a monetary squeeze and a sharp increase in unemployment. It is impossible to demonstrate with the certainty of the physical scientist that either, or both, of these cold economic processes have been more, or less, of a brake on inflation than the concurrent social contract.

What I am sure of is that the political cost of the social contract has already been far too high: it has meant three years of unrepresentative government, carried out in alliance with union bosses. The uncertain outcome of its destruction seems far preferable to the certain continued outrage to democracy of a further year of it.

But the toolmakers are simply affluent workers, not more. They are sure. By many accounts they are closer in life-style and outlook to the middle-classes than to unskilled workers. They serve apprenticeships, go to night school, and develop their skills with serious intent. They work as a unit, in close contact with the research and development engineers. They have long-term commitments to their employers. There is nothing surprising in their resentment at the evening-up of the incomes of assembly line men or unskilled outsiders with their own. No society in the world, be it Soviet or Maoist, attempts to keep this kind of worker at or near the same wage as the untrained.

Many other people in Britain are in the same position as the toolroom men, but they are not well placed to make a pro-

test. Junior managers, engineers, technical workers, the police, some office workers are all smarting under the effect of policies of the past few years. They might join the growing chorus of condemnation of the toolroom workers, or wonder whether they themselves would go on strike if they had the muscle.

But surely the strike has gone on long enough: the toolmakers have made their point. This may be true, and it could be that before long they will be obliged to submit. The AUEW can hardly let them get away with their dash for independence. But whether you think it has gone on long enough depends on your view of whether the way we have seen the economy managed for the past four or five years is the right one. If you believe it to be wrong, and damaging, "long enough" does not come until they can take no more.

\* \* \*

These reflections on the strike at Leyland might seem strange in a column in which the need for less inequality (not absolute equality) has been argued on more than one occasion. How can support be given to the "little" toolmakers? The first answer is that they are only a relative elite: they are working men, with extra skill, not the beneficiaries of financial windfalls.

The second answer is that there are two kinds of inequality, related but nevertheless separable. One might call one of these types structural inequality, and the other cash inequality.

By structural inequality I mean the long-term differences between the social classes,

which all the figures continue to show. The length of life, the propensity to good health, the performance at school, and all the realistic expectations of the individual are closely correlated to class. The higher up the scale, the more one can expect—even when it comes to details like height. Such differences perpetuate the divisions in Britain in a totally destructive way: the important point about them is that with sensible long-term policies they need not be a permanent feature of our society. It may not be possible to make the change quick, or complete, but the direction of policy must surely be towards less structural inequality.

Income differences, within a band that most people would accept as reasonable, constitute a different aspect of inequality. No one can justify a longer, healthier life for the rich than the poor; it is easy to justify an extra 20 per cent, or more, or less, for such and such a skill and responsibility. On this basis, cash inequality may be less marked than many suppose. Some new work by G. C. Pigeon and P. S. Lansley, of the National Institute of Economic and Social Research, published today, indicates that the poor look comparatively less badly off if you count the size of families as well as their income. Published as a reprint from the Journal of the Royal Statistical Society, their paper shows that on a raw statistical count the income of the poorest tenth of all households is only 29 per cent, or 50 of the median income. But if you adjust to take account of the number of children and adults in each household the poorest tenth have 45 per cent of the median income.

Holdings (Notices to Quit) Bill and Peten's Bill, committee. Northern Ireland Orders on housing finance and consumer protection and advice. Consolidated Fund (No. 2) Bill, third reading.

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## Parliamentary framework

Mr. T. Ellis, MP.

Brian Gould's letter (10) about democracy in elections did not take account far enough. He is to point out that a party will only be demily represented even in a elected Parliament if it has such a community of identity with the ty that it is prepared to matters of importance, ose of great significance, if decided by majority. This is precisely why the 19th-century European Parliament are now less democratic than appeared to be some ago.

the nation-State was developed in its modern during the past century, lived in a society which anarchic, conformist and terian. Minorities perceived the control of remonic group which had ultimate sanction the use ary force. To-day, society aged and some minor- example, the Scots, are epared to accept this of democracy. Its even- problems facing politi- attempting to devise a atic parliamentary frame- or governing peoples in -dependent and techno- centralist world are us, but I am certain that elected European Parli- here of course the tradi- 19th-century sanctions no apply. In so far as it (the central authority of epan nation-State parlia- would help also towards the second.

an Parliament, ostale 1601, Luxembourg.

ensure much closer contact between the governors and governed than was ever achieved with single-member constituencies; (b) allowing the voter to give more information on his ballot paper with regard to his preference of candidates.

I am, of course, advocating the single transferable vote in multi-member constituencies. "Supervote" which is the British system of proportional representation, invented by us and exported to such places as Malta, Ireland and Australia. "Supervote" is nothing more than a refinement of our present system and gives near perfect party PR without departing from the British and ideal notion of representative democracy. It is the easiest of systems to introduce and there is no doubt in my mind that the British public will take to it like a duck takes to water.

Proportional representation will be with us sooner or later and Mr. Callaghan has a unique opportunity; he can either slum it with the pro-PR Tories and lumber us and the rest of democratic Europe with some God-forsaken list system, thereby weakening the very fabric of representative democracy, or he can lead the way by introducing "Supervote," whose superiority over list systems will not fail to be appreciated by European voters, thus ensuring its eventual universal adoption. Mr. Callaghan has the opportunity to give us and posterity something of consequence to remember him by.

David W. Green, 25, Boteman Street, Cambridge.

## Letters to the Editor

advancing nuclear power should recognise the hard facts of life as well as the more idealist arguments being advanced by environmentalists and zero growth educationists.

John A. Richardson, 53, Frost Avenue West, Edison, New Jersey 08817, U.S.

## Tory views on Mr. Heath

From Mr. R. Moir.

Sir,—It is intriguing to read the article by David Watt (March 11) on the Tory Party. How right he is. Many Conservative voters like myself were, and still are, very opposed to the action of Tory MPs who voted out Edward Heath, completely ignoring the views of their supporters. It is common knowledge that a vast majority of Conservatives in the country did not want Mr. Heath removed, and the sooner the MPs put this right the better for the country.

R. M. Moir, Crookhurst Street Form, Tudeley, nr. Tonbridge, Kent.

## —and Mrs. Thatcher

From Mr. E. Stark.

Sir,—Your correspondent David Watt (March 11) is not very well informed as to the desires of Conservative voters.

If he had canvassed as many of them as I have in this area he would realise that the "Iron Lady" image of Mrs. Thatcher is 'one of the things about her most admired by the majority of Conservative voters, also that it is the policies and speeches of people like Mrs. Thatcher, Sir Keith Joseph and Michael Heseltine that express the majority view of Conservative voters.

I was once very much in the Heath camp, but canvassing returns forced me to the conclusion that the so-called support for his semi-pink policies was a myth even back in 1974. It reflected mainly the personal opinions of constituency chairmen, a far different thing to the majority opinion of rank and file Conservatives.

F. Stark, Highlands, 178, Seaford Road, Wickford, Essex.

taken by the industry's major manufacturers. I would like, however, to correct the impression given in the article that this new investment runs counter to the strategy evolved by the National Economic Development Office.

A strategy for this sector of the industry is currently being developed by the industrial electrical equipment sector working party, which consists of representatives from the major electric motor manufacturers, trade unionists, and the Government.

This working party, established early in 1976, has been concerned at the need to improve the ability of the electric motor industry to satisfy U.K. and export demand. The proposal for Government financial assistance for stock building was made by the SWP to overcome the anticipated short-term supply problem at the next upturn in demand. This was therefore regarded as a "one-off" measure, and the proposal did not run counter (as stated in your article) to the other medium-term recommendations concerning the need for increased capacity and new investment. The views of the working party are given more fully in its first industrial strategy report published in September, 1976.

The industry is currently installing new capacity, thus enabling it to compete on more equal terms with major foreign manufacturers. Such actions are seen as an inherent part of the working party's industrial strategy programme, which is designed to resist import penetration, and increase overseas market share.

A. E. E. Swannack, Millbank, S.W.1.

## Working women

From Mrs. R. Bond.

Sir,—Presumably Mr. Albert Booth (March 10, Page 18) was referring to the fact that working married women are taxed as single persons in referring to tax incentives given to married women. How on earth does he propose they should be taxed?

Far from solving the unemployment problems by trying to dissuade married women from working, it would greatly increase it. The majority of married women go out to work for reasons of economic necessity and large proportions of their incomes contribute towards mortgages, purchases of domestic appliances, cars, extra food and holidays. Does Mr. Booth honestly believe that the construction and manufacturing industries would benefit by withdrawing the purchasing power of an entire section of the population?

The young, of course, must be employed but judging from most teenagers I know, my own included, their earnings are mainly channelled into the leisure industries—such as recording companies and high fashion—none of whom appear to be suffering too much in the present economic circumstances.

Most married women work seven full days a week if they have an outside job and, speaking for myself, this is in order to live rather than "exist on the average man's wage."

R. N. Bond (Mrs.), 11, Godstone House, Pardoners Street, S.E.1.

## Taxpayers' money

From Mr. A. Dean.

Sir,—Mr. Brittan (March 10) is right to suggest that taxpayers should willingly forego the Chancellor's discretionary Budget tax changes for the sake of having indexation.

They should do so on two counts: (1) statutory indexation would bring benefits beyond just the 1977 financial year, and (2) indexation would very likely be far more favourable to the taxpayer than discretionary changes anyway.

The Chancellor will be yet again giving the wool over our eyes if he hopes to claim that is £1bn. tax cuts, or whatever, are in his gift. Tax cuts to balance fiscal drag are not cuts in the true sense of the word. The money involved is the taxpayers' money.

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The Chancellor will be yet again giving the wool over our eyes if he hopes to claim that is £1bn. tax cuts, or whatever, are in his gift. Tax cuts to balance fiscal drag are not cuts in the true sense of the word. The money involved is the taxpayers' money.

Arthur Dean, 4, Heathwood Court, Emmanuel Road, S.W.13.

## Slimming the GLC

From Mr. B. Cassidy.

Sir,—As your editorial "The GLC looks at the City" (March 7) points out, it is ironic that the Labour Manifesto for Greater London Council elections should be considering extending the powers of the GLC by the takeover of the City, when many people are thinking that it is time the GLC's powers were cut back. Indeed, the Conservative Party is pledged to initiate an independent review of the GLC's present powers to see how many of them can be "devolved" to the boroughs and how many simply done away with.

Some of us who are hoping to get on to the GLC are standing because we believe that the GLC has become much too large, much too bureaucratic, and much too inefficient. We believe that it

## Drive against cigarettes

From Joan Roberts.

Sir,—A time when our country is in the worst position financially and unemployment-wise that it has ever been it is unbelievable that the Social Services Secretary can only think of yet another drive against cigarette smoking (March 9). At a time when freedom of choice for the individual is gradually being taken away and the do-gooders are all against South Africa for its one law for black and one law for white, Mr. David Ennals's proposals sound like something from South Africa—no smoking in public transport, cinemas, theatres, concert halls, shops, etc. (I would agree that it is wrong to smoke in a food shop) but alas he forgot the restaurants.

As regards Mr. Ennals's remark that it is "grotesque" for outdoor sports to be so closely associated with habits notoriously dangerous to health, I find it "grotesque" that the Government can take so much money in tax from a commodity and its manufacturers when it would like to see a non-smoking country fit in wind and limb but with half the population suffering from nervous disorders not in coffins but padded cells. The Treasury should say thank heaven for smokers.

We never hear of decisive action being taken against the pot smokers and drug taking drop outs who change from regular employment. Is it because they are a dead loss to the Government weighed against the smokers who in the main are the workers of the country.

Joan Roberts, 46, Sportsbank Street, Catford, S.E.6.

## Mr. Scargill on advertising

From Mr. M. Barker.

Sir,—I attended the luncheon of the IPA Society at which Arthur Scargill spoke and whose views were so ably described in Mr. Winston Fletcher's article of March 10. In describing a number of Mr. Scargill's points as unambitious, he omitted to mention the one fact which I believed astonished most of those in the audience. Mr. Scargill announced that he is a director of the Co-op. I wonder if the Co-op movement are aware of his views about advertising?

M. J. W. Barker, Intercon International Marketing, 20, Upper Brook Street, W.1.

## Electric motor manufacture

From The Chairman, Industrial Electrical Equipment Sector Working Party, National Economic Development Office.

Sir,—The excellent article by Mr. Wilkinson (March 10) on the current state of electric motor manufacture in the U.K. contains encouraging news of new investment being under-

## Nuclear power

From Mr. J. Richardson.

Sir,—Please permit me to make some transparent observations concerning the protracted discussions ensuing in the U.K. on the advancement of nuclear power and nuclear fuel reprocessing.

U.S. electric power utilities have issued the following statistics over the winter just passed:

Based on electrical power output from December to February last the following proportions by state of nuclear power plant contributions have been officially recorded:

State	%
New York	26.3
Connecticut	56.4
Massachusetts	48.3
Vermont	23.5
New Hampshire	15.2
Maine	15.8
New Jersey	38.5
Tennessee	30.2
Illinois	46.4
Pennsylvania	38.5
Florida	39.4

## Actions for rope

From D. Green.

I am alarmed to read here is a suggestion that a list system of proportional representation may be direct elections to the Parliament.

I am going to have a vote of voting system, let us that it is a change for as the introduction of an of list system will be for the worse; we may be or two things to learn our friends on the Continent Parliamentary pro- is not one of them. The country we elect to attend to affairs of our behalf, as opposed to party stonage on a list, country a political party servant of the people than the master, as is the Continent. We may be about the vagaries of present system, but please not forget that there are systems much worse than the present one. The means do not like the im- nature of their propo- ing system and I un- are looking enviously way we vote!

only trouble with our voting machinery is that waste over half of the sterling; in the last general 85 per cent of the voters to elect anybody. We can failure rate to 10 per cent; (a) reintroducing multi-constituencies. We have them before and they will

The total installed capacity of U.S. nuclear plants is less than 20 per cent of the national system. The reasons for the massive reliance on nuclear power during this worst North American winter for 100 years are due to: (1) shortage of natural gas and oil to meet additional heating demands; (2) lean coal reserves preventing transportation of coal supplies from pit to power plant; (3) inability to handle coal from coal stores at site due to long periods of sub zero temperatures.

In many ways here in the U.S. in spite of intensive political lobbying by notable environmentalists like Ralph Nader and Friends of Earth, the nuclear power alternative has become a non-issue for many Americans living in the highly populated North East and even as far south as Florida; because without the 85 operating nuclear plants this winter there would have been extensive suffering and loss of life, in addition to the economic hardships due to factory closings. Perhaps the current U.K. contains encouraging news of new investment being under-

## To-day's Events

**GENERAL**

New York District Court hearing on Concorde landing rights.

Court of Aldermen meets, Guildhall, E.C.2.

Dialogue ("God and Caesar") between Mr. Malcolm Muggeridge and Mr. Enoch Powell M.P., St. Mary-le-Bow, Cheapside, E.C.2, 1.05 p.m.

Sir Robin Gillett, Lord Mayor of London attends Innholders' Company dinner, Innholders' Hall, E.C.3.

**PARLIAMENTARY BUSINESS**

House of Commons: Aircraft and Shipbuilding Industries Bill, consideration of Lords amendments. Debates on printing of Hansard and on EEC safety work documents.

House of Lords: Agricultural

against deportation order, Law Courts, W.C.2.

Engineering Workers' national executive discusses British Leyland toolmakers' strike.

Post Office applies to Price Commission for increase in charges for January published.

EEC Agriculture Ministers end two-day meeting, Brussels.

Scottish Police Federation meet employers' side of Police Council for talks boycotted by their English and Welsh colleagues.

Lord Ryder, chairman, National Enterprise Board, meets deputations of Labour MPs from Merseyside and North East.

Mr. Mark Rosenball appeals

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# COMPANY NEWS + COMMENT

## Armstrong sees further healthy gain

On sales of £29.88m, compared with £18.45m, profit of Armstrong Equipment for the half year to January 2, 1977, rose from £1.81m to £2.71m, subject to tax of £1.41m (£0.95m).

The net interim dividend is stepped up from 0.85p to 0.725p on increased capital—the previous year's total was £2.25p and profits £4.23m, a record.

Mr. H. Hooper, the chairman, says that overall, the company's situation is one of strong turnover growth and it is anticipated that the full year will show further healthy profit gain, providing that the industrial disputes situation in major customer plants does not worsen in the second half.

Company	Page	Col.	Company	Page	Col.
Armstrong (Geo.)	24	5	Hampson Industries	22	2
Armstrong Ept.	22	1	I.O.M. Enterprises	22	1
Bemrose Cpn.	22	5	Kleeman Industrial	25	1
Clarke Shoes	25	3	Lake & Elliot	22	7
Comercoff	22	2	Macpherson (Donald)	24	6
Eagle Star	22	5	Manganese Bronze	22	3
Eso Petroleum	25	4	Merchants Trust	24	8
Federated Land	24	4	Stothert & Pitt	22	4
General Accident	22	3	Turner (W. & E.)	22	1
Glendon Investment	25	6	Weber Holdings	25	5
Goodbody (J. & L. F.)	24	4	Winding-up orders	22	7

**comment**

Armstrong has come up with a tremendous jump at the half way stage. Pre-tax profits are ahead 50 per cent. on a sales rise of 60 per cent., which must reflect the rapid expansion of the wholesale outlets. In the last accounts the company was forecasting a four times increase in the amount of wholesaling business by the year end. Original equipment on the other hand has been fairly unimpressive, but Armstrong's links with Ford have helped. The company draws attention to buoyant exports, presumably for the Fiesta, and the expansion in Spain. On the other side the fastenings business is thought to be progressing well and the Crane's Screw acquisition will give an added boost to the rest of the year. Continued growth for the second half looks possible and estimates for £84m. are already floating in the market which drops the prospective p/e (on average capital) to around 5 at 47p, which does not look expensive, for any doubts about original equipment can be countered by the replacement market.

In the second half which this time was better at £76,016 against £59,171.

Stated earnings per 20p share were 5.02p (3.85p) and the net dividend is raised to 2p (1.5p). After tax of £3,000 (£2,995), the net balance came out at £60,288 (£48,221).

## Hampson nearing £500,000

FOR THE current year ending March 31, 1977, Hampson Industries is forecasting profits of at least £480,000, compared with £402,000 in the previous year.

In the first six months, sales have risen from £3.79m. to £4.83m., and profits from £212,192 to £240,420. And chairman Mr. T. Hampson says the second half profits are expected not to be less than the first.

Tax takes £125,018 (£110,340) to leave the midway net balance at £115,402 (£101,832).

Net interim dividend is 0.25p per 5p share (0.25p)—last year's total was 0.625p.

Hampson operates as engineers and manufacturers, and is engaged in industrial cleaning.

Statement Page 25

## Manganese Bronze advances

THE HIGHER level of profitability achieved by Manganese Bronze Holdings in the second half of 1976-77 has been virtually maintained in the first half of the current year, with the group pre-tax balance amounting to £915,000.

In the corresponding 1976-77 first half the profit amounted to £254,000 and by the end of that year this had climbed to a record £123m.

Earnings per 25p share are up from 0.79p to 4.09p. There is again no interim dividend—the single payment for 1976-77 was 0.25p net.

Six months	1976-77	1975-76
Turnover	11,277	10,778
Depreciation	110,688	78,118
Bank interest	156,254	89,293
Fire insurance	35,288	35,288
Trading profit	322,215	361,794
Share loss Assoc. Co.	21,971	21,971
Taxation	303,195	279,779
Net profit	288,139	146,000
Preference dividends	11,216	55,787
Preference dividend	1,388	1,388

## Stothert & Pitt ahead at halftime

AN ADVANCE in pre-tax profit from £0.24m. to £0.32m. is announced by engineers, Stothert and Pitt for the 25 weeks to January 15, 1977, and the directors expect the year-end figure to show an improvement over the previous period's £0.53m.

The net interim dividend per share is lifted from 1.95p to 2.145p—the 1976-76 total was £.58p. Subsequent to January 15, 1977, the company disposed of its interest in its Dutch associated company, the telecommunica-tions and construction industries, sales falling to £226,000 from £890,000. Nevertheless, profits increased from £29,000 to £35,000.

Once more the Dutch subsidiary performed well and, aided by changes in the foreign exchange rates, profits were £86,000 compared with £50,000. A statement of source and application of funds shows a decrease in bank overdrafts of £240,000 (£114,000 increase).

## General Accident cuts credit costs

Mr. Hartwell points out that the difference in overall results is thus comparatively small but the contributions from respective divisions varied materially. Profits from the Birmingham factory were disappointing although sales

At last Stothert and Pitt is within striking distance of its peak profits of £1.1m. in 1976-77, even though currency profits will be largely responsible. The key to recovery is the strong export drive, based largely on the £11m. contract to supply cranes to Saudi Arabia. Although spread over 24 years, the dominance of the contract can be appreciated against a current order book of £3m., which also includes an £8m. contract to supply Saudi Arabia with ship lift systems. There is no inflation hedge in these contracts and S and P could have faced a tight situation were it not for the extra margin of currency profits from the pound's fall against the Ryal. All 66 cranes will have been shipped by April and this should give a boost to second half profits, even though there may be carry over of some profits which are taken on instalment. After a rise of a third in the first half, profits need to rise by only a quarter in the second half to reach £1.1m. for the full year, for a prospective p/e of 6.9 at 130p where the maximum yield is 11.4 per cent. This goal is clearly possible, but a sustained pattern of growth still depends on an upturn in the U.K. where the picture remains clouded.

## W. Turner climbs to peak £0.6m.

PROFITS of multiple retailers of footwear, hosiery and handbags, etc., W. E. Turner moved sharply ahead in the second half of 1976—from £365,009 to £409,700—to take this total for the year up to a record £651,977, compared with £495,597.

Earnings per 10p share are up from 3.22p to 4.11p; and the dividend total is raised from 1.41875p to 1.5606p net, with a final of 1.3693p.

	1976	1975
Turnover	5,220,961	7,006,225
Profit	62,977	66,262
Taxation	367,921	336,337
Net profit	264,956	189,925
Retained	176,257	60,811

## Progress for Isle of Man Enterprises

An advance in pre-tax profit of £14,970 to a record £64,136 was achieved by Isle of Man Enterprises for the year ended October 31, 1976. Sales were ahead by £35,279 at £157,768. Because of the seasonal nature of the business the profit comes

## Expansion policy at Comercoff

Financial resources of Comercoff are more than adequate for the programme of re-organisation which has now been embarked upon, says Mr. A. W. Hartwell, chairman.

He explains that the favourable order position in the divisions manufacturing group products encourages this progressive policy, which will involve capital investment and recruitment of additional key personnel.

As reported on March 31, pre-tax profits for the year ended September 30, 1976, amounted to £277,416, which was somewhat higher than the estimate given in December, 1976. The corresponding profit for the previous year was £290,968.

Mr. Hartwell points out that the difference in overall results is thus comparatively small but the contributions from respective divisions varied materially. Profits from the Birmingham factory were disappointing although sales



Mr. Harry Hooper, chairman of Armstrong Equipment.

## Valve losses hit Lake & Elliot

LACK OF activity in the shipbuilding industry has had a serious effect on the marine-valve output of Lake and Elliot and this is reflected in a drop from £1m. to £546,000 in the group pre-tax profit for the half year ended January 31, 1977.

Mr. Peter Lake, chairman, reports that in the valve division it has been necessary to make redundancies at Lake & Elliot which has incurred a trading loss of some £300,000 in the half year. These losses are expected to continue into the second half.

The chairman says, however, that the steel division has produced "most encouraging results" for the first half and despite difficult market conditions progress should continue through the second half.

In his annual statement last year the chairman stated that the uplift forecast in many quarters for the engineering industry for the second half of 1976 had not been reached by the group's markets, but that a satisfactory start had been made to the current year.

The good start was not maintained due primarily to a poor performance of deliveries of some orders on hand. At the AGM members were advised that the decline in order pattern had resulted in a less than ideal product mix, so that while it was anticipated that sales at the interim stage would be comparable with the previous first half some temporary decline in profitability was to be expected.

The interim dividend is maintained at 1.45p net, on increased capital—the total for 1975-76 was

## comment

● of getting be chairman hoped at of the year, business ston of Lake & Elliot; in period Cocksburrs, in period the half time loss in ding, despite furth- cles which have reds from 180 to 70, and dence on marine, as ing industries has t The other valve co- plished for orders- foundries, while 200 the foundries will at- following last year's which was used, as unlikely to sustain above half last year, is despite the net, from the capital in- gramme, but this y overdrift of £280,000 balance sheet and pects promise a str- but the market is- that far ahead. The 1 per cent. of the val- two trading days, yesterday at 50p, w- talred dividend was per cent.

## DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre- sponding	Total for year	Total last year
Armstrong Equipment Int.	0.737	May 16	0.65	1.387	1.387
Bemrose Corp.	1.25	May 26	1.4	2.65	2.52
Denndi Holdings Int.	1.637	—	—	—	—
Fed. Land and Building	1.3	May 12	0.75	2	1.14
Hampson Inds.	0.28	April 4	0.28	0.56	0.56
Harmony Gold Mining	2.5	May 10	30	32	49
I.O.M. Enterprises	2	—	1.5	3.5	3.5
Life and Elliot Int.	1.437	—	1.43	2.87	2.44
Manganese Bronze Int.	—	—	—	—	—
Merchants Trust	1.48	May 3	1.25	2.73	4.25
Stothert and Pitt Int.	2.15	April 4	1.95	4.1	3.58
W. and E. Turner	1.09	—	0.99	2.08	1.47

Dividends shown pence per share net except where otherwise stated. ↑ On Capital increased by rights and/or acquisition scrip issues. † Net 2.63p as reported last week. ‡ South African cents.

## Bemrose on target with record £2.2m.

IN LINE with forecast pre-tax profit of Bemrose Corporation finished the year to January 1, 1977, at a record £2.2m. compared with £2.07m.

At mid-way the directors said that the second half would be maintained on similar lines to the first when profits rose £0.26m. to £1.13m.

They now say that as anticipated, profit margins were reduced during the latter six months by the increased costs of materials and services, by the cost of pay awards granted in accordance with government policy and by the increased cost of borrowings due to high interest rates.

All divisions contributed to the sales growth of 21 per cent. and this "demonstrates a continuing ability to maintain the growth trend established over the last decade," they add.

The growth in profits was achieved in spite of losses in-curred by the cartons division, which accounts for about a quarter of group sales.

With all divisions now estab-lished in export markets, overseas sales advanced from £4.96m. to £8.46m. and represented nearly 20 per cent. of group turnover.

Yearly earnings per 25p share are shown to have risen from 10.41p to 11.57p and the final dividend is 1.3488p net for a 2.6836p (2.4505p) total.

	1976	1975
Turnover	33,619	27,217
Trading profit	5,521	5,474
Interest	229	403
Profit before tax	5,750	5,877
Tax	1,091	1,061
Net profit	4,659	4,816
Preference dividends	1,109	996
Available for Ordinary	3,550	3,820
Ordinary dividends	281	231
To reserves	3,269	3,589

## comment

After a 30 per cent. rise at the halfway stage, the 10 per cent. downturn pre-tax at Bemrose in the second half is a disappointment. The mid-year pay award had a significant effect because of the relatively high proportion of low paid workers while boom conditions in the transfer printing division also evaporated. In the short term, Bemrose is unlikely to show much improvement. The current first half will have to bear comparison with a good first half last year and the already fast programme of capital expenditure could accelerate to nearly £3m. this year, depressing profits with interest charges in the immediate future. But the second half and 1978 could bring significant growth. Certainly the cash flow has been encouraging, with most of the £19m. of capital expenditure in 1976 being financed internally despite a £1m. increase in working capital. And the cyclical trend, in the loss-making carton division (26 per cent. of turnover) now appears to be on the upturn. The shares at 86p yield 6.4 per cent. on a p/a of 5.6.

## Cargo service to close

British Rail is to go ahead with its plans to close the Fishguard-Waterford container and general freight service from March, 1978. The service has operated at a considerable loss for some years, and the deficit this year is expected to total over £300,000.

Regular users of the route will be offered special arrangements for the conveyance of their traffic on the developing Fishguard-Rosslare roll-on roll-off commercial road vehicle service, which is not affected by the proposal.

## Eagle Star Preference

In the circular giving details of proposals for repayment of the £24m. preference capital, Eagle Star Insurance says it believes the administrative costs of maintaining the shares outweighs the advantage of keeping such shares in issue.

The Board, and advisers Hill Samuel, recommend all shareholders to vote in favour of the proposals, and those directors who hold Preference shares intend to

## Winding up orders on 50 companies

Compulsory winding-up orders D. and A. M. made by Mr. Justice Oliver in the High Court today were: London Freehold Investments, Jobel Bonner and Son, Eric Richardson and Associates (Life and Pension Brokers), John Toolan and Co., The Queenhills Press, Martin James Short Company, Warrmsel Glazing Company, P. J. Yates Construction, Agiletto Poultry (U.K.), A. J. Timms (Garage), E.M.K. Properties (Ware), Melbourne Properties (Brighton), Marshall-Hickey Construction, Paul Seal Investment Consultant Company, Pension Fund who hold 187,000 shares (18.7 per cent.) and 332,500 shares (32.3 per cent.) have in-formed the board of their intend- to vote in favour of the pro- posals.

Morgans Sausage, Apollo DIY, Pin Walmsley, James W. Ter. Mat., Castle Lloyd, Legpost, Bonded Security, Norton, R. Polm. Skin, Greenwood (Ing. -South Wal- T. Devlin and Son W. B. Properties, Farndise Knives Litho, Emmerston Llanwrtyd, Transp. Glazing Contractor, Corn Distribution

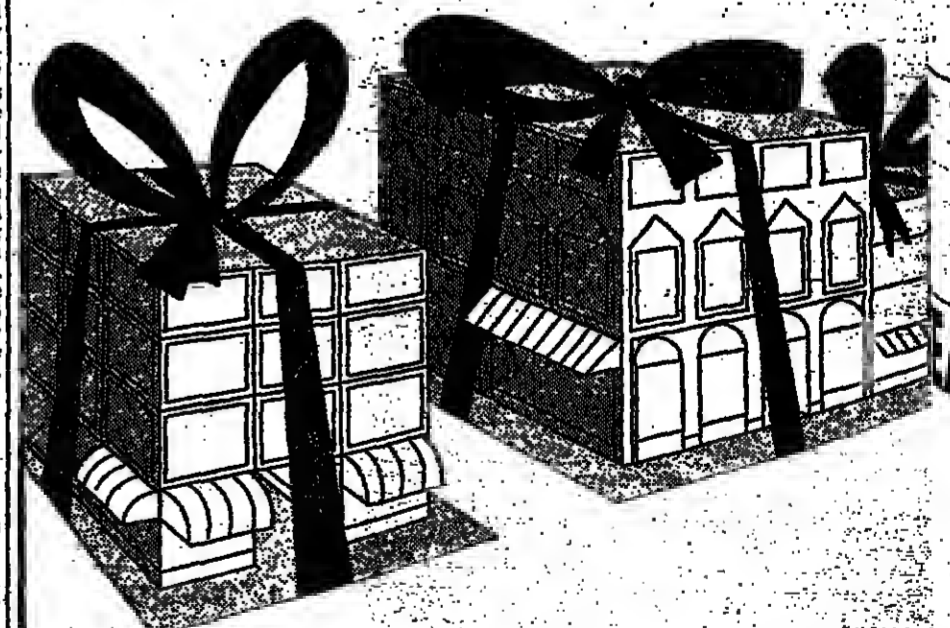
## FEDERATED Land and Building Company Limited

Year to 31st December, 1976

Profit before Tax	£797,000 (£521,000)	Up 53%
Earnings per Share	3.41p (2.27p)	Up 50%
Dividend per Share net	2.0p (1.14p)	Up 75%
Turnover	£13,551,000 (£11,137,000)	Up 22%

The Directors are hopeful that during the current year they will be able to maintain their present level of private housing completions. This, together with continuing work from Local Authority housing, should provide the Group with a substantial work load during 1977.

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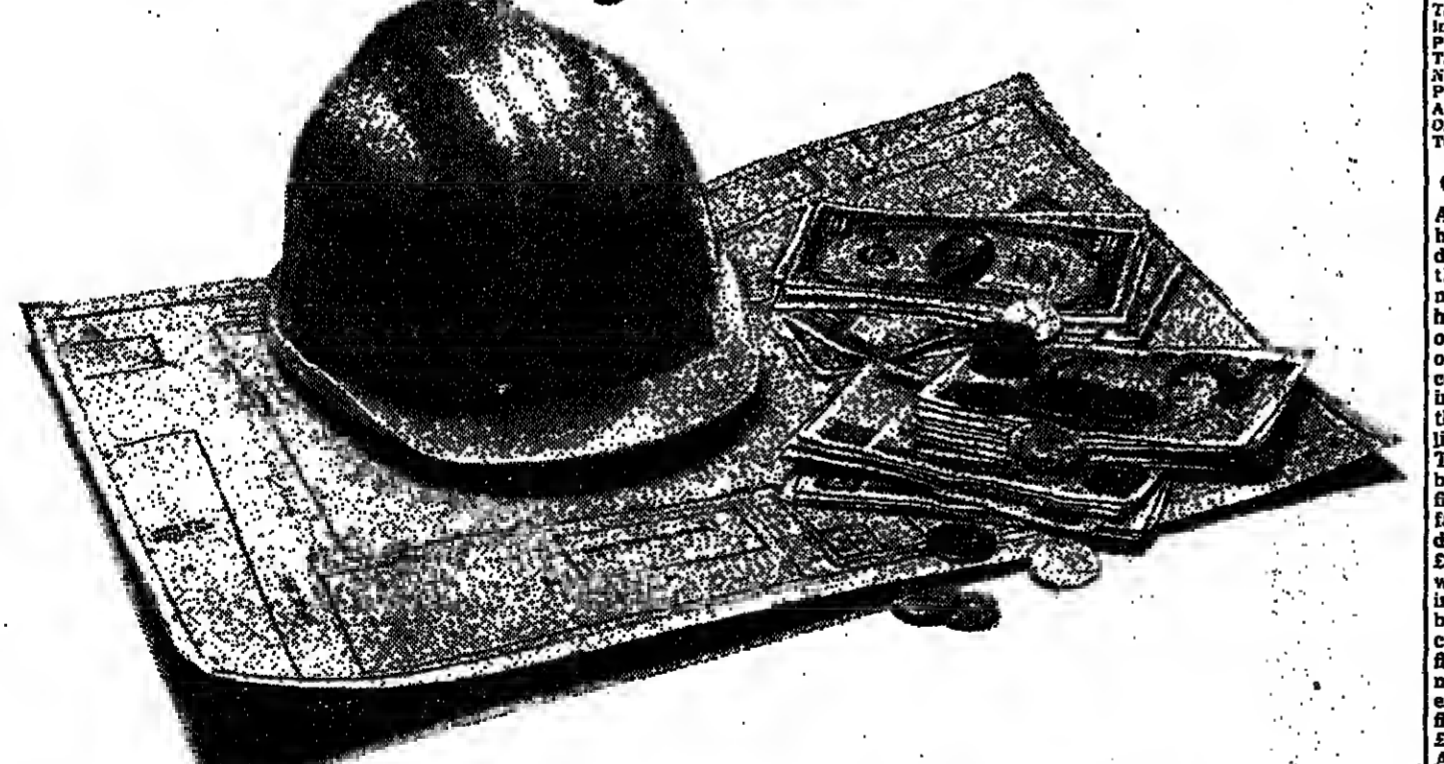
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MINING NEWS

Union Corporation hit by lower gold income

BY PAUL CHESTERGATE
LINE with intentions of...
yesterday closed unchanged at 234p. Union shares were 2p higher at 235p.

PHELPS DODGE ON ALUMINIUM

The price advantage held by aluminium over copper is likely to continue decreasing, according to Mr. George Munroe, the chairman of Phelps Dodge, which although it has 20 per cent of copper mine capacity in the U.S. also has aluminium interests through its 40 per cent stake in Consolidated Aluminium Corporation.

BIDS AND DEALS

Monopolies decision soon on cleaners merger

A DECISION by Mr. Roy Hattersley, the Secretary of State for Prices and Consumer Protection, as to whether Sketchley's contested take-over bid for rival group Johnson Group Cleaners is to be referred to the Monopolies Commission should be announced before the end of this week and could even be today.

BAKER PERKINS ACQUIRES U.S. MINORITY

Following shareholders' approval, Baker Perkins Inc. has now become a wholly-owned subsidiary of Baker Perkins Holdings. Proposals for the merger were announced on January 5 after Baker Perkins Holdings had raised its stake in Baker Perkins Inc. to some \$3 per cent by purchasing 134,243 shares in it from the Cozard Petersen family at \$10.25 a share.

BISHOPSGATE SELLS M. F. NORTH HOLDING

Bishopsgate Property and General Investments, which is managed by Hambros Bank and Hill Samuel, has sold its entire 20 per cent holding in hotels group M. F. North for a net profit of \$2,581 from the sale of Canadian property.

PILBARA SEEKS NEW DEAL

The permanent heads of the Australian treasury, both federal and state, plan to visit the Pilbara iron mining region of Western Australia later this month. Our Perth correspondent reports that the visit is seen as recognising that the rules on which the expansion of the 1960s took place are no longer appropriate.

HARMONY MAKES A PAYMENT

The South African gold and uranium producer, Harmony, which is part of the Barlow Rand group, has resumed dividend payments with an interim of 28 cents (16.7p) for the year to next June. Last September, the final was paid in August 1976.

TOTAL SEES £17M. PROFIT

The annual document containing details of Total's agreed takeover offer for Sillman Group is expected to be posted to shareholders within the next ten days. The document will also contain a profit forecast from Total of £17m pre-tax for the year ended January 31, 1977, which compares with a recent stockbroker's estimate of £16m.

CCH DEAL WITH J. LYONS

CCH Investments, the hotel and brewing group, has agreed to dispose of its holding of 76,000 shares in Gold Case Travel to J. Lyons and Company for a total consideration of £445,280.

EAST ASIATIC RUBBER

The Scheme whereby Aktieselskabet Det Østasiatiske Kompagni (the East Asiatic Company) became the beneficial owner of all the capital of East Asiatic Rubber Estates, and the reduction of capital of thereunder, was made effective on March 11.

INTEREST RATES DECLINE

Bank of England Minimum Lending Rate 11 per cent. (since March 10, 1977)
short-term fixed-period interest continued to show a fall today, reaffirming market's view of a further fall in M.L.R.

Table with columns: 14 day, 1 month, 3 months, 6 months, 12 months, etc. showing interest rates for various instruments.

ROUND-UP

The dredge of the tin producer, Pengkalen, is re-working additional areas of tailings at the mine in Malaysia but will move to virgin ground in July.

CHI HAS 41% OF BEAVER VOTING

The offers by CHI Industrials for the Beaver Group have been accepted in respect of 474,563 Ordinary 66s First Preference shares.

BCA OFFERS CASH OPTION

British Cane is offering a new limited cash option to shareholders in Nationwide Leisure who have not already accepted BCA's share exchange bid.

Allied City suspended

BY MARGARET REID
The Stock Exchange yesterday morning cancelled the share listing of Allied City Share Trust at the company's request, pending the publication of reorganisation particulars.

Large interest in Kode changes hands

Kode International, the computer peripheral equipment concern, said yesterday that the parties who had been concerned with a bid approach had now withdrawn from discussions to acquire the company. It had been announced on January 5 that an approach had been received which might lead to a take-over offer.

SIEBE-GORMAN BUYS LEISURE WEAR

Siebe Gorman has bought Steeplegale, a private company which manufactures and distributes men's and women's leisure wear under the Inega name for an initial purchase consideration of £1.1m.

TRUST MERGER PLAN

The Boards of the United States Debenture Corporation and London Scottish American Trust, have reached an advanced stage for a merger on a share exchange basis by reference to respective net asset values at a date to be determined.

STYLO APPROACHED

Stylo Holdings says an approach was made by a merchant banker on behalf of another footwear retailer suggesting a merger between the two companies and that a preliminary discussion was held.

TEN YEAR KLEEMAN GROWTH



"I remain optimistic for our long term future" Derrick Kleeman - Chairman
The Group as a whole is concerned almost exclusively with the design and manufacture of products which will control the use of liquids and gases in many different types of modern engineering equipment.

Advertisement for Knight Frank & Rutley, featuring a scale of justice logo and the text 'Inflation ACCOUNTING Valuations'. The ad lists various services and contact information.

# Union Corporation Limited

(Incorporated in the Republic of South Africa)

## PRELIMINARY ANNOUNCEMENT

The consolidated financial statements for the year ended 31st December 1976 show:

	1976	1975
Operating income	R900	R900
Income from investments	63,251	11,647
Realised profit on investments	24,691	32,584
Net income before interest and taxation	92,149	45,530
Interest paid	14,926	9,048
Net income before taxation	77,223	36,481
Taxation	20,420	1,617
Net income after taxation	56,803	34,864
Attributable to outside shareholders & subsidiaries	17,696	—
Income attributable to ordinary shareholders	39,107	34,864
Earnings per share	64 cents	60 cents
Dividends	R900	R900
Interim dividend of 12 cents (12 cents) per share	6,972	6,972
Final dividend of 24 cents (30 cents) per share	14,676	17,430
Retained income for the year	17,547	10,462
The consolidated balance sheet at 31st December 1976 shows:		
Share capital and reserves	211,876	161,583
Long term liabilities	35,251	6,342
Outside shareholders' interests in subsidiaries	102,517	—
Deferred taxation	30,031	17
	429,675	167,962
Represented by:		
Fixed assets	217,791	8,423
Investments:		
Listed (market value R212,654,000: 1975—R310,898,000)	76,037	111,569
Unlisted (directors' valuation R96,039,000: 1975—R30,042,000)	31,225	32,491
Loans and loan portion of taxation	23,670	10,633
Current assets	230,328	101,054
	579,051	264,170
Current liabilities and provisions	149,376	96,218
	429,675	167,962
Net asset value per share taking listed investments at market value and unlisted investments at directors' valuation	679 cents	720 cents

**NOTES:**

- The issued share capital was increased during the year from 58,100,000 shares to 60,876,757 shares following the acquisition by Schemo of Arrangement of certain of the shares of Geduld Investments Limited previously held by the Corporation. The interim dividend was paid on a share capital of 58,100,000 shares. The final dividend is payable on 61,151,757 shares which includes 275,000 shares issued since 31st December, 1976 in terms of the Share Purchase Scheme.
- The consolidated financial statements for 1976 include the results of the following companies which became subsidiaries during the year: Geduld Investments Limited, African Coasters Holdings Limited, Darling & Hodgson Limited, Evelyn Haddon & Company Limited, Kohler Brothers Limited, Sappi Limited (including KCSA Holdings (Pty) Limited and Carlton Paper Corporation Limited which have become subsidiaries of Sappi).
- As a result of the changes referred to in notes 1 and 2 above the results for 1976 are not readily comparable with those of the previous year.
- As a result of applying the rates of exchange ruling on December 31, 1976 there was a downward adjustment of R3,252,000 in the net book value of certain of the Corporation's foreign assets. This has been charged to distributable reserves.
- The cost of exploration expenditure during 1976 amounted to R5,892,000 (1975—R6,128,000) and this has been charged against exploration reserve.
- The dividend cover has been increased in view of the working capital requirements of the Corporation's industrial subsidiaries, for which no provision was previously required in the Corporation's accounts. The dividends of 36 cents per share, absorbing R21,648,000, are covered 1.3 times. The dividends of 42 cents in 1975 were covered 1.4 times.

### DECLARATION OF DIVIDEND

A final dividend of 24 cents per share in respect of the year ended 31st December 1976 making a total of 36 cents for the year has been declared payable to members registered in the books of the Company on 25th March 1977 and to persons surrendering coupon No. 125 detached from share warrants to bearer. The register of members will be closed from 25th March to 1st April 1977 both dates inclusive. Dividend warrants will be posted on or about 3rd May 1977. The dividend is payable subject to conditions which may be inspected at either the Johannesburg office or the London Transfer office of the Corporation.

By order of the Board

per pro. UNION CORPORATION (U.K.) LIMITED  
 London Transfer Office:  
 Hill Samuel Registrars Limited,  
 8 Greenport Place,  
 London, SW1P 1PL  
 14th March, 1977.

London Secretaries  
 L. W. Humphries  
 Princes House  
 95 Gresham Street,  
 London, EC2V 7BS

# Federated Land expands 53% Donald Macpherson no feeling benefits

REDUCED BORROWINGS and lower related interest charges of £0.82m. against £1.27m. enabled Federated Land and Building Company to expand taxable profit 53 per cent to £737,000 on turnover up from £1.14m. to £1.55m. The major part of the improvement came in the first half when profit was ahead by £188,000 at £308,000.

The directors say they are hopeful that during the current year they will be able to maintain their present level of private housing completions. This, together with continuing work from local authority housing, should provide the group with a substantial work load during 1977.

Stated earnings per 25p share were higher at 3.41p (2.37p) and a net final dividend of 1.3p (the total to 5p (1.14p)). This represents an effective increase of 75 per cent for which Treasury consent was obtained on recovery grounds.

At the meeting, in Dublin, on April 1, members will be asked to approve an ex-gratia payment of £6,000 to a former director.

**comment**

Federated Land really felt the effect of the climb in Building Society rates in the second half of last year, when they rose by only 6 per cent, after a first half jump of 38 per cent, while pre-interest profits slumped by 15 per cent, compared to a 5 per cent fall at the interim stage. The group continued to cut back on borrowings however, reducing them by £2m. over the year to £5.8m. (net worth is £4.8m.), and interest charges have finished 36 per cent lower to leave the full year pre-tax level 53 per cent higher. Activity on the private housing side is picking up in the current year but the outlook for local authority house-building which accounted for more than half of the 1,100 completions last year, is far from bright. The group is contracted forward until August but a slump in new local authority work in the second half of last year could prevent it from continuing its recovery to the £1.4m. peak of 1972. At 24p (net value 25p) the shares are yielding 13.2 per cent. (covered 1.6 times) on a p/a of 6.3.

Statement Page 22

## Better start by J. & L. F. Goodbody

Performance so far in the current year for J. & L. F. Goodbody indicates a continuation of the improvement shown in the second half of 1976, says Mr. Desmond Goodbody, the chairman. Losses are being contained and further benefits are expected from the reorganisation taking place.

Future prospects will be influenced by the rate of recovery in the economies of the export markets, progress towards controlling inflation at home and on the impending renegotiation of the Multi-Fibre Agreement, he explains.

The reorganisation of all group activities will not be completed for some time but it should ensure the company emerges from current difficulties as a soundly based unit, and provide secure employment for a substantial number of people in the Clara district of Eire, the chairman comments.

Considerable effort is being devoted to developing new markets to increase sales to attain full plant capacity and new technology in other countries is being

investigated to improve competitiveness.

As already reported for the year to September 30, 1976, the loss before tax was £476,203 (£519,955) on sales steady at £4.09m. (£4.1m.). Again no dividend was paid.

During the year assets surplus to trading requirements, or yielding a low return, were disposed of realising £0.82m. They comprised the Waterford factory and machinery, shares in Irish Flaxed Packaging and various lands and premises. The proceeds were used to finance working capital, to reduce borrowings and to purchase fixed assets. The company also paid all arrears relating to National Wage agreements.

At year end fixed assets were £1.12m. (£1.58m.), investments £7,500 (£9,16m.) and net current assets £0.7m. (£0.32m.).

The company is active in marketing and warehousing, manufacturing synthetic fibre, processing plastic waste and sack merchandising.

At the meeting, in Dublin, on April 1, members will be asked to approve an ex-gratia payment of £6,000 to a former director.

## Peak £0.8m. by G. Armitage—prospects poor

Turnover
 1976 | 1975 || Rents | 1,270 | 1,137 |
Trading profit	1,616	1,383
Interest	1,320	1,187
Pre-tax profit	296	235
Tax	442	25
Extraord. credits	38	—
Net profit	352	138
Dividends	286	118
Retained	327	89

As reported, February 16, doubled profits from overseas operations and export successes helped the company to lift pre-tax profits from £1.6m. to £2.1m. for the 53 weeks ended October 31, 1976. Earnings per share were up from 5.9p to 9.6p.

Practically every unit within the group contributed to the improvement.

The immediate trading prospects are poor, he adds.

The dividend total for 1976 is £743p, the maximum allowed, with a final of 0.9532p. Earnings are 28.43p (13.06p).

Potentially the company is in a stronger position than over before. Mr. Armitage hopes that demand will increase and that 1977 results will reflect this increased strength.

The additional production facilities at Howley Park were commissioned in October and full output was maintained throughout the year. Brick stocks reduced by four weeks to the equivalent of six weeks production at the end of June. Taking into account the increased production capacity since October, stocks were also the equivalent of six weeks production at end December.

Mr. Armitage is relinquishing the chairmanship on April 20 but will remain on the board. Mr. Geoffrey F. Armitage will succeed.

## PROVIDENT FINANCIAL

Lord Chelmer is chairman of Provident Financial Group. In yesterday's report, Mr. A. M. Edgar was stated to hold that position, but, in fact, he is joint managing director.

SINCE the commissioning of the new filling floor at Warth Mills, Bury, significant planned improvements in productivity and savings in the reduction of losses in manufacture are already becoming evident, states Mr. R. Chester, chairman of Donald Macpherson Group, in his annual statement.

The Warth Mills development was the biggest single capital project the company has ever undertaken. Costing just over £0.6m. it was commissioned on schedule and, says the chairman, will have the effect of materially enhancing capacity and flexibility in trade and retail markets.

He restates his earlier forecast that with a full year's contribution from Unerman, acquired last September, shareholders can reasonably expect a further increase in profits and earnings per share.

For the year to March 31, 1976, Unerman sales amounted to £7.0m. and profits £0.7m.

Since September no radical changes have been introduced at Unerman. But some clarification of the organisation structure has taken place leading to greater delegation of authority and responsibility.

In general, nothing has arisen so far to cause the directors to doubt their original judgment that the acquisition would prove to be an important and worthwhile development, he adds.

As reported, February 16, doubled profits from overseas operations and export successes helped the company to lift pre-tax profits from £1.6m. to £2.1m. for the 53 weeks ended October 31, 1976. Earnings per share were up from 5.9p to 9.6p.

Practically every unit within the group contributed to the improvement.

## Glass & Metal HOLDINGS LIMITED

Highlights from Mr. A. Bowman's Review

A further increase in profits

I am pleased to report that the Group Profit before taxation for the year amounted to a record £814,205, an increase of 21%.

The Directors are recommending a Dividend 27.5%, the maximum permitted increase.

A "Tempering Line" for Splintex Limited has been installed. This will open new fields of operation within the Glass Industry, bearing in mind the put consciousness of safety requirements where large areas of glass are used, with a consequent increase in profitability.

Our factories are now fully equipped with efficient modern machinery and this gives me confidence for the future of your Company. In spite of inflation, our liquidity has been maintained and continues to be a source of strength to the Group.

## Financial Results

	Year to 31st October 1976	1975
Profit before tax	£814,205	£673,000
Trading Profit after tax	£408,638	£324,000
Dividend	27.5%	—
Earnings per Share	10p	8p
Balance Sheet Value per Share	79p	—

## Bank Hapoalim

CONDENSED CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1976\*

ASSETS	
Cash and Due from Banks	1,247,780,000
Securities, Including Government Bonds	134,419,000
Deposits with and Loans to Government	1,541,274,000
Loans and Bills Discounted	3,714,623,000
Other Accounts	41,705,000
Bank Premises and Equipment	42,153,000
Customer's Liabilities	517,188,000
	<u>£7,239,142,000</u>
LIABILITIES	
Capital Reserves and Surplus	167,031,000
Capital Notes	15,437,000
	<u>182,468,000</u>
Minority Interest of Outside Shareholders	21,545,000
Convertible Debentures — Issued by Subsidiaries	2,793,000
	<u>206,826,000</u>
Deposits	3,166,319,000
Deposits for the Granting of Loans	1,540,129,000
Other Accounts	78,685,000
Debentures Issued by Subsidiaries	1,728,985,000
Liabilities on Account of Customers	517,188,000
	<u>£7,239,142,000</u>

## CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED DECEMBER 31, 1976

Operating Income	1,329,029,000
Operating Expenses	<u>1,234,443,000</u>
	94,586,000
Provision for Taxes	56,763,000
Net Operating Income after Taxes	35,823,000
Minority Interest in the Net Operating Income Subsidiary Companies	3,703,000
Net Extraordinary Expense	32,120,000
Net Income	<u>1,751,000</u>
	<u>£ 30,369,000</u>

\* The financial statements of the subsidiaries included herein are stated in Israeli Pounds. This statement has been arithmetically translated from Israeli Pounds into U.S. Dollars at the official exchange rate prevailing on December 31, 1976; U.S. \$1.00 = 1.754 Israeli Pounds.


Head Office: 50 Rothschild Boulevard, Tel Aviv, Israel.  
 270 Branches of Bank Hapoalim Group throughout Israel  
 Branches, Subsidiaries and Offices Abroad:  
 New York, Los Angeles, London, Zurich, Cayman Islands, Toronto, Buenos Aires, Sao Paulo, Caracas, Johannesburg, Ampal, Casablanca.

## Bank Hapoalim

London, West End: 8-12 Brook Street, London W1Y 1AA. Tel. 499-9153  
 London, City: 22-3 Lawrence Lane, London EC2V 8DA. Tel. 600-0322/7

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE February 28, 1977



# ¥ 12,000,000,000

## Province of Manitoba

### Yen Bonds (1977) Series 10J

#### 8.6% at 100% due 1987

The Nikko Securities Co., Ltd.

The Nomura Securities Co., Ltd. Daiwa Securities Co., Ltd. Yamaichi Securities Company, Limited

The Nippon Kangyo Kakumaru Securities Co., Ltd. New Japan Securities Co., Ltd.

Wako Securities Co., Ltd. Sanyo Securities Co., Ltd. Merrill Lynch International, Inc. Tokyo Branch

Okasan Securities Co., Ltd. Osakaya Securities Co., Ltd. Yamatane Securities Co., Ltd.

Dai-ichi Securities Co., Ltd. Koa Securities Co., Ltd. Koyanagi Securities Co., Ltd.

Loeb Rhoades Securities Corporation Marusan Securities Co., Ltd. Tokyo Securities Co., Ltd. Tokyo Branch

Toyo Securities Co., Ltd. Yachiyo Securities Co., Ltd. The Chiyoda Securities Co., Ltd.

Ichiyoshi Securities Co., Ltd. The Kaisei Securities Co., Ltd. Maruman Securities Co., Ltd.

Meiko Securities Co., Ltd. Mito Securities Co., Ltd. The National Securities Co., Ltd.

Nichiei Securities Co., Ltd. The Toko Securities Co., Ltd. Towa Securities Co., Ltd.

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# Kleeman poised to move ahead strongly

Mr. Kleeman, chairman of the group, says that as the group continues to strengthen itself he sees no way in which it should not move ahead strongly. He says that the group's earnings do not show serious recession.

Mr. Kleeman says that the group's earnings do not show serious recession. He says that the group's earnings do not show serious recession.

# Sterling and competition puts Esso into loss

BY RAY DAFTER, ENERGY CORRESPONDENT

Esso Petroleum, U.K. petrol market leader and a major investor in the North Sea, incurred a net loss of £18m. on a £1.5bn. turnover last year.

The company, part of the Exxon oil group, blamed the fall in the value of sterling and the competitive situation in the products market for the loss. In 1976, the group made a net profit of £28m. on a £1.2bn. turnover.

JP Klein 15/3

# Progress for Clarks Shoes

SHOE MAKERS C. and J. Clark showed further growth in 1976. Mr. Daniel Clark, the chairman, reports.

Net sales rose 21 per cent to £153.42m, trading profit advanced 55 per cent to £11.42m, and net profit after tax and exceptional items at £5.10m. were 22 per cent higher.

# HARTLE INTL.

The directors of Hartle Machinery International announce that the year-end of the company and that of its subsidiaries has been changed from December 31 to June 30 as a consequence of group reorganisation and to meet current statutory requirements.

# Glendevon Inv. lower at midway

Revenue of Glendevon Investment Trust declined from £117.912 to £102.288 for the six months to January 31, 1977, subject to tax of £41,288, compared with £49,888.

# Weber Hldgs. stays liquid

The assets of investment and property holding company Weber Hldgs. remain extremely liquid and the immediate needs to remain so says Mr. H. Arbelid, the chairman, in his annual statement.

# LESNEY DEBENTURE

The directors of Lesney Products announce that the proposal to repay the outstanding £1m. of 11 per cent Debenture stock 1980-85 at 100 per cent, has been approved by stockholders.

**NEGIT S.A.**  
Société Anonyme  
Luxembourg  
R.C. Luxembourg B 8849

# NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the seventh ANNUAL GENERAL MEETING of NEGIT S.A. will be held at the registered office in Luxembourg, 10A, Boulevard Royal, on Tuesday, 29th March, 1977 at 12 noon, for the purpose of considering the following Agenda:-

- To receive and adopt the Directors' Report and the Report of the Statutory Auditor for the year to 31st December, 1976.
  - To receive and adopt the Balance Sheet and Statement of Operations as at 31st December, 1976.
  - To approve payment of Directors' Fees.
  - To grant discharge to the Directors and the Statutory Auditor in respect of the execution of their mandates to 31st December, 1976.
  - To receive and act on the statutory nomination for election of Directors and the Statutory Auditor for a new term of one year.
  - To receive and act on the nomination for election of M. Pierre Pictet as a Director.
  - To appropriate the earnings.
  - To transact any other business.
- The resolutions will be carried by a majority of those present or represented.
- The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the registered office of the Company not later than twenty-four hours before the meeting.

By Order of the Board  
J. PIERSON  
Secretary

# HAMPSON INDUSTRIES LIMITED

INTERIM STATEMENT—UNAUDITED

	Half year to 30th September 1976	Half year to 31st March 1977	Year to 31st March 1976
up Sales	4,833,444	3,795,007	7,439,453
up Net Profit before taxation	240,420	212,192	401,945
Less: Tax at 52%	125,818	110,340	233,313
up Net profit after taxation	114,602	101,852	168,632

The Directors have declared an Interim Dividend of 5 1/2 p per share. Last year 5 p (25 p per share). The Dividend is payable on 4th April 1977 to shareholders on the Register of Members at 16th March, 1977.

Profits for the second half year to 31st March, 1977, are expected not to be less than those for the first half.

T. Hampson Silk, Chairman.

Copies of the Interim Statement can be obtained from The Secretary, Hampson Industries Limited, Brindley Way, West, Brackley, West Midlands B70 9PC.

# City Investing reports on its 1976 results

1976 results show City back on course in revenues and earnings growth, with all principal products and services contributing to this progress—manufacturing, international, housing and insurance.

- Highlights**
- City's revenues surpassed \$2.5 billion for the first time.
  - City's net income advanced 17% to \$53 million.
  - Total operating income from manufacturing, international and housing operations was a record, continuing the vigorous, historic growth trend.
  - Specifically, City's income from housing operations more than doubled, based on the turnaround in conventional housing and mobile homes and on record income from City's budget motel business.
  - Particularly significant was the substantial reduction in property and casualty insurance underwriting losses in 1976.
  - Investment income from City's insurance investment portfolio continued to rise in 1976.
  - Cash flow to the insurance investment portfolio was a record \$147 million.
  - Two important financings totaling more than \$200 million were completed.

- 1977 prospects**
- Favorable trend in insurance underwriting results is expected to continue.
  - Anticipated improvement in the nation's housing market should benefit City.
  - Continued income growth is expected



plant. Investment: \$12 million.

Rheem Air Conditioning: Construction of a new, 520,000 sq. ft. plant at Milledgeville, Georgia, for production of heating and air conditioning equipment. Investment: \$20 million.

Basic business filling basic needs

City is the world's largest manufacturer of water heaters and steel shipping containers and a leading producer of heating and air conditioning equipment.

City Investing is also the nation's largest printer of newstand publications; one of the country's major home builders and mobile home manufacturers; and one of the largest property and casualty insurers in the United States.

For additional information on City Investing, contact Jerome Hanan, V.P. City Investing S.A., Stockenstrasse 38, 8002 Zurich, Switzerland.

from City's domestic and international manufacturing operations.

City's investments in the future

World Color Press: New 285,000 sq. ft. gravure printing facility at Salem, Illinois. Investment: \$20 million.

Rheem Water Heaters: 244,000 sq. ft. expansion of the Montgomery, Alabama

**SUMMARY RESULTS**

Year Ended December 31	1976	1975
Revenues	\$2,535,093,000	\$2,104,882,000
Net Income	53,145,000	45,497,000*
Per Share, Primary	1.80	1.47
Per Share, Diluted	1.54	1.35

Fourth Quarter Ended December 31	1976	1975
Revenues	\$ 700,136,000	\$ 522,229,000
Net Income	21,047,000	17,667,000
Per Share, Primary	.82	.68
Per Share, Diluted	.60	.52

\*Includes net income of \$8.8 million deriving from an accounting change relating to discontinuation of the Company's insurance catastrophe reserve.

# IE MERCHANTS TRUST, LTD.

Managers—KLEINWORT, BENSON LIMITED

# PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31st JANUARY 1977

Earnings available for the Ordinary Stockholders are in excess of £1 million for the first time in the Trust's history and show an increase per unit of over 12 per cent last year.

A total dividend for the year is 2.275p—an increase of 16.67 per cent on last year.

Over 40 per cent of the Trust's assets remain invested overseas.

	1977	1976
VENUE AVAILABLE FOR ORDINARY STOCK (Net)	£1,145,871	£992,759
DEDUCTED FOR ORDINARY STOCK (Net)	231p	2.06p
DIVIDEND (Net)	2.275p	1.95p
TOTAL ASSETS—	£41,849,000	£42,448,000
Value of invested funds	£42,997,000	£42,399,000
Attributable to Ordinary Stock	£38,286,000	£37,886,000
Net asset value per Unit of 25p	1.53p	1.51p

The number of Ordinary Stock Units in issue increased from 1,498,754 to 49,650,702 as a result of the conversion Loan Stock.

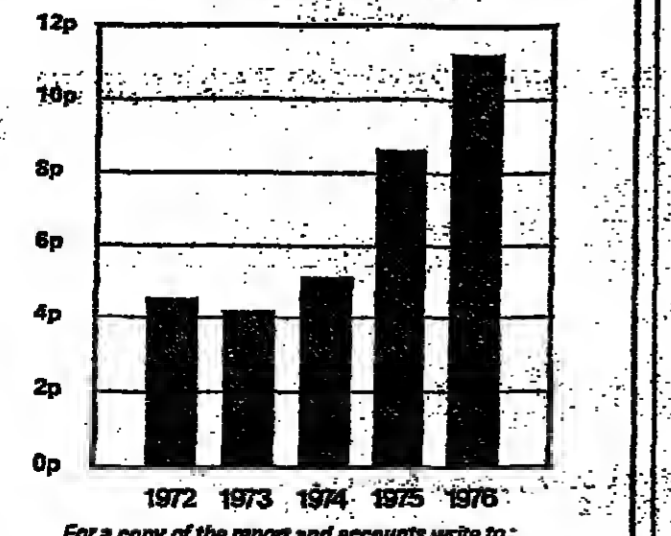
A full Report and Accounts will be posted to Stockholders on or about 7th April, 1977.

Annual General Meeting—20, Fenchurch Street, London, E.C.3. Monday 2nd May 1977, at 11.45 a.m.

# RECORD RIDGWAY

**Continued Success**

	1976	1975	change
Profit	£200	£200	
Profit-historical	15,523	11,993	+29%
Profit-current cost	2,050	1,365	+50%
Profit-current cost	937	523	+79%



For a copy of the report and accounts write to: The Secretary, Record Ridgway Limited, Parkway Works, Sheffield S3 3BL.

**RECORD RIDGWAY MAKE QUALITY HAND TOOLS FOR CRAFTSMEN THE WORLD OVER**

INTERNATIONAL FINANCIAL COMPANY NEWS

Sandvik plans dividend rise and bond issue

BY WILLIAM DUFFORCE STOCKHOLM, March 14. AFTER REPORTING higher earnings for 1976 than forecast at the half-way stage and demonstrating greater resistance than other Swedish steel concerns to the current recession, Sandvik steel group is raising its dividend and planning to make its first foreign convertible bond issue.

Schering plans same dividend despite plant shutdown

BY GUY HAWTIN. SCHERING, the West Berlin chemical and pharmaceuticals concern is proposing an unchanged 20 per cent dividend for 1977. This follows an increase in earnings after the 1975 recession.

Canada to make \$C950m issue

BY Pauline Clark. THE CANADIAN government has announced it will launch a \$950 million bond issue on the country's domestic market yesterday.

NSU to raise Fls.50m.

BY TONY HAWKINS. THE NEDERLANDSCHE Scheepvaart Unie (Netherlands Shipping Union) is to raise Fls.50m. with a five-year maturity.

Setback for S. & H.

BY JAMES FORTH. THE CHANCES of property group Stocks and Holdings netting up its 20th successive profit increase in 1977-78 received a setback with a 17 per cent drop in earnings for the December quarter.

EUROBONDS ICB profits improve

BY MICHAEL BLANDER. INTERNATIONAL Commercial Bank, the London-based consortium group, reports pre-tax profits up from \$3.97m. to \$4.97m. for the past year.

DUTCH COMPANIES Van Nelle net profits drop

BY MICHAEL VAN OS. VAN NELLE, the Dutch coffee, tea, tobacco and foodstuffs company, which is currently holding merger discussions with its majority shareholder Standard Brands of the U.S., published preliminary results for 1976.

AUSTRALIAN COMPANIES

Setback for S. & H. The battle between the Board of pastoralist Marra developments and a group of dissident shareholders—the Marra Shareholders' Action Group—has flared again with a letter from the rebel Marra chairman and managing director Mr. Foul Berner.

NOTICE OF REDEMPTION

To the Holders of TELEFONOS DE MEXICO, S. A. 7 1/2% Sinking Fund Dollar Debentures due April 1, 1978

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$1,760,000 of the Debentures have been selected for redemption on April 1, 1977, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date as follows:

Table with columns for Debenture ID, Amount, and Issuance Date. Includes sub-section 'DEBENTURES OF \$1,000 EACH'.

NOTICE OF REDEMPTION

To the Holders of TELEFONOS DE MEXICO, S. A. 7 1/2% Sinking Fund Dollar Debentures due April 1, 1978

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Table with columns for Debenture ID, Amount, and Issuance Date. Includes sub-section 'DEBENTURES OF \$1,000 EACH'.

SELECTED EURODOLLAR BOND PRICES

Table listing bond prices for various countries and maturities, including 'STRAIGHTS', 'MID-DAY INDICES', and 'NOTES'.

Bank America discloses more details of loans

SAN FRANCISCO. BANKAMERICA today released its 1976 annual report which provides expanded information about the corporation's activities.

Curacao Depository Receipts of ordinary shares

SANYO ELECTRIC CO., LTD. The undersigned, acting as duly authorized Agent Administration Company N.V., announce that a shareholders' meeting held on the 28th February, 1977, decided to pay a final dividend of Yen 3 per share for term ending November 30th, 1976.

THE REPUBLIC OF GABON

U.S. \$20,000,000. DOWN PAYMENT AND LOCAL COST FINANCING FOR CONSTRUCTION OF A DEEP WATER HARBOUR—FOUR GENTIL GABON. MANAGED BY CITICORP INTERNATIONAL GROUP.

TELEFONOS DE MEXICO, S.A.

By EMILIO CARRILLO GAMBOA Managing Director

NOTICE

The following Debentures previously called for redemption have not yet been presented for payments: M-679 736 1260 1267 1271 1285 1301 1317 1364 1376 1413 1423 1433 1443 1453 1463 1473 1483 1493 1503 1513 1523 1533 1543 1553 1563 1573 1583 1593 1603 1613 1623 1633 1643 1653 1663 1673 1683 1693 1703 1713 1723 1733 1743 1753 1763 1773 1783 1793 1803 1813 1823 1833 1843 1853 1863 1873 1883 1893 1903 1913 1923 1933 1943 1953 1963 1973 1983 1993 2003

NOTICE

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On April 1, 1977, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons pertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015, or (b) subject to any laws or regulations applicable thereto in the country of the following offices, at the offices of Banca Nazionale del Lavoro in Rome, Banque de Bruxelles S.A. in Brussels, Dresdner Bank A.G. in Frankfurt (Main), Banque Internationale à Luxembourg S.A. in Luxembourg, Banque Nationale de Paris in Paris, and Skandinaviska Enskilda Banken in Stockholm. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a bank in New York City.

On and after April 1, 1977 interest shall cease to accrue on the Debentures herein designated for redemption.

On and after April 1, 1977 interest shall cease to accrue on the Debentures herein designated for redemption.

TELEFONOS DE MEXICO, S.A. By EMILIO CARRILLO GAMBOA Managing Director

TELEFONOS DE MEXICO, S.A. By EMILIO CARRILLO GAMBOA Managing Director

TELEFONOS DE MEXICO, S.A. By EMILIO CARRILLO GAMBOA Managing Director

THE REPUBLIC OF GABON U.S. \$20,000,000. DOWN PAYMENT AND LOCAL COST FINANCING FOR CONSTRUCTION OF A DEEP WATER HARBOUR—FOUR GENTIL GABON. MANAGED BY CITICORP INTERNATIONAL GROUP.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

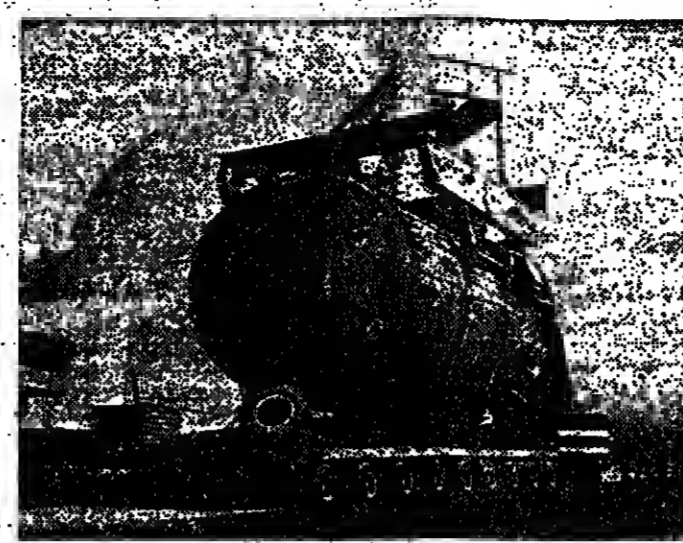
Handwritten signature: J.P. ...

From Bonn, Nicholas Colchester looks at the international success of GHH, and the risks involved Engineering West Germany's export success

BERHAUSEN-STERKRADE can call one of the source's of...

German industry has branched out into the most sophisticated...

taken into account the yearly cost of an employee to a West...



An atomic reactor pressure vessel made by GHH.

labour relations there are few secrets of that success to be...

turnover of DM600m, a year and is the world's largest producer...

German industry with security for the future.

Disconcerted

After another 50 years had seen the British master was...

to name the most important. It is not dependent on the fortunes...

The directors of GHH-Starkrade make it clear that the answer to the first question lies...

exception. We achieve this by plotting a critical path for each...

Our components were judged to be equal. But the layout we proposed was deemed...

Competition

Schloemann-Siemag needs orders for about three rolling mills a year to remain busy...

Both GHH and Schloemann-Siemag say that Japanese competition is now able to undercut...

Thirdly, there is little complacency in German management. They are under no illusions...

Losses force Unitika to cut equity portfolio

BY CHARLES SMITH, FAR EAST EDITOR

TIKA, one of Japan's top 100 companies, today announced plans to sell between...

including just under 10m shares of Sanwa Bank (about 0.75 per cent of Sanwa's total equity).

of shares by institutional investors in Japan since interlocking shareholdings represent one of...

Sharp turnaround in results at CEM

BY DAVID CURRY

PARIS, March 14.

A COMBINATION of an improved economic climate and internal productivity gains...

1976 figures do not include substantial orders negotiated at the end of last year with the State...

AUSTRIAN BANKS Creditanstalt record growth

BY PAUL LEVDVAI

VIENNA, March 14.

CREDITANSTALT BANK VERENIGUNG's number one bank, reports record breaking growth of 25 per cent in its...

Analysis of the economy and financial situation, Dr. Treibl stressed that in the latter half...

In addition to the expansion of commercial credits and deposits, good results were also achieved in foreign business.

Advertisement for Japan Steel Journal, featuring a logo and text about the journal's content and subscription rates.

Advertisement for Wardley Ltd., reporting a 42% profit increase and listing company details.

Large advertisement for Caisse Nationale des Télécommunications, featuring the CNT logo and a list of international banks.

Large advertisement for The Republic of Peru, detailing financial arrangements for the Majes Irrigation Project, including a US\$91,000,000 loan.

Continuation of the Caisse Nationale des Télécommunications advertisement, listing various international banks and agents.

This announcement appears as a matter of record only

**US\$ 25,000,000**

Medium Term Loan

FOR THE

## Banco Nacional de Crédito Cooperativo S.A.

Unconditionally guaranteed by  
**THE FEDERATIVE REPUBLIC OF BRAZIL**

Arranged by  
**RABOMERICA INTERNATIONAL BANK N.V.**

Managed and provided by

**BANCA NAZIONALE DELL' AGRICOLTURA**  
**BANK EUROPAEISCHER GESELLSCHAFTSBANKEN**  
**BANK OF AMERICA National Trust and Savings Association**  
**BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL**  
**CRÉDIT AGRICOLE (C.N.C.A.)**  
**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (Centrale Rabobank)**  
**DG BANK Deutsche Genossenschaftsbank**  
**EUROPEAN BRAZILIAN BANK LTD. - EUROBRAZ -**  
**GENOSSENSCHAFTLICHE ZENTRALBANK A.G.**  
**LONDON & CONTINENTAL BANKERS LTD.**  
**RABOMERICA INTERNATIONAL BANK N.V.**

Agencat Bank  
**RABOMERICA INTERNATIONAL BANK N.V.**

February, 1977

## APPOINTMENTS

### DIRECTOR OF EUROPEAN ACCOUNTING

**INTERNATIONAL FINANCE & LEASING CORPORATION  
MAJOR U.S. COMPANY  
LONDON BASED  
ATTRACTIVE INCOME PACKAGE  
NEGOTIABLE**

We are seeking a highly motivated Director, responsible to the Senior Controller, to develop and influence the standards of accounting and audit throughout the European subsidiaries of this major international client, a worldwide leader in the financial leasing business.

The successful candidate will ideally have all or most of the following attributes:

1. Demonstrable experience within a large corporation, implementing and designing audit and accounting systems in more than one European country.
2. Experience of working within and on behalf of a U.S. corporation, supervising other accountants in the field.
3. A high level of professional and academic attainment, ideally gained through a background of auditing and systems implementation within marketing orientated companies.
4. He should be self-motivated, an excellent communicator both verbally and in writing, and used to presenting concise and analytical reports of performance as required.
5. An ability to converse in a language alternative to English would be valuable.

Above all, the successful candidate must have a professional desire to implement the highest standard of financial systems within a rapidly growing and successfully profitable organisation based in London. In view of the locations throughout Europe, which will be part of his responsibility, there should be a preparedness to travel as required.

We are shortlisting immediately. Please telephone or write in confidence for further information, quoting reference FT801

## COMPANY NOTICES

**ROBECO**

ROTTTERDAMSCH  
BELEGINGSCONSORTIUM N.V.  
Annual General Meeting of Shareholders

to be held at the Hilton Hotel, Waena, Rotterdam, on Wednesday, 30th March 1977, at 2.30 p.m.

**AGENDA:**

1. To receive and adopt the Report of the Managing Directors for the financial year 1976.
2. To receive and adopt the Annual Accounts for the year ended 31st December 1976.
3. To declare the dividend.
4. To propose to amend the Articles of Association of the Company, and to amend Article 4, paragraph 1, the last sentence of Article 5, paragraph 1, and to amend Article 11 of the Statutes and to empower each Managing Director to supply for the material declaration of no objection referred to in Article 12, Volume II of the Netherlands Civil Code with respect to the alteration of the Statutes or in order such application, and to make such changes as may be required by or on account of the Ministry of Justice as prerequisites for issuance of the declaration of the Statutes by notarial deed.
5. Any other business.

Copies of the full agenda, and the Annual Report for 1976, are available from the Managing Directors, Bank Limited, Second Floor, 41, Leithway, London, E.C.1.

Beneficial owners of Share Warrants to bearer issued or to be issued by the Company, and holders of a certificate of deposit issued by a Bank or other Authorised Depository, that such Authorised Depository is holding the Share Warrants, are requested to bring their certificates of deposit to the Meeting on or before 28th March 1977, at the office of the London Secretaries, Messrs. E. A. Brown & Co., 15, Old Broad Street, London, EC2M 2EJ, on or after 28th March 1977 in order to be lodged with the company's books.

Dividend payments will be subject to tax deduction wherever necessary in accordance with the laws of South Africa and the United Kingdom.

In regard to questions relating to the receipt of dividends, South African shareholders should apply to the South African Branch Office, English law.

The Register of Members and Beneficial Owners of the Company will be closed on 28th March 1977.

Under the Republic of South Africa Income Tax Act, 1962 (No. 58), a non-resident shareholder's tax liability on dividends received from the Company is subject to the provisions of the dividend declaration, which will be published in the London Gazette on 14th March 1977.

Beneficial owners of Share-warrants registered in any name other than that of Messrs. E. A. Brown & Co. (Nominees) Limited and holders of Registered Full Shares, who are desirous of attending the Meeting or of appointing a proxy to attend and vote in their stead, must inform the Company in writing by Wednesday, the 23rd day of March, 1977, of their intentions.

By Order of the Board,  
**E. A. BROWN & CO. INCORPORATED**  
15, Old Broad Street, London, EC2M 2EJ, ENGLAND

## STOCKBROKERS

Private clients department have vacancy for assistant to a Partner. Experience and ability to handle clients' Portfolios without constant supervision essential. Interesting opening for right candidate. Please write fully to Box A.5875, Financial Times, 10, Cannon Street, EC4P 4BY.

## INTERNATIONAL EXECUTIVE SEARCH-MANAGEMENT AND PERSONNEL CONSULTANTS

**CROWN HOUSE MOREEN LONDON SM4 5EU**

**GROUP ENGLAND TEL: 01-540 8311 TELE: 928921**

### THE UNIVERSITY OF SHEFFIELD

#### CHAIR IN BUSINESS OR MANAGEMENT STUDIES

Applications are invited for a newly established CHAIR IN BUSINESS OR MANAGEMENT STUDIES. The successful candidate will be expected to conduct research in these areas and to teach and supervise students. Salary in the range approved for Professorial salaries with superannuation provision. Further particulars may be obtained from the Registrar and Secretary, The University, Sheffield, S10 2TN, to whom applications (one copy) should be sent by April 17, 1977. Quote ref. R.533/EU.

### EDUCATIONAL APPOINTMENTS

**Portsmouth Polytechnic**  
**HEAD OF DEPARTMENT OF BUSINESS STUDIES**

This post becomes vacant in September, 1977, on the retirement of the present incumbent.

Applications are invited from candidates with high academic qualifications, substantial business and administrative experience, and an active interest in research.

Salary according to Burnham Scale Grade VI—£8,307 plus appropriate proportion of cost of living supplement to £8,913 per annum.

Further particulars and application forms may be obtained from the Staff Officer, Portsmouth Polytechnic, Alexandra House, Museum Road, Portsmouth, PO1 2QQ, to whom completed applications should be returned by 28th March, 1977. Please quote ref. C48.

### APPOINTMENTS WANTED

#### YOUNG GERMAN EXECUTIVE (AGED 30)

Currently employed in Tokyo seeks challenging position. German, English, some Spanish and Japanese. Experience: General Management, Finance, Marketing, Sales.

- 4 years Commodity Trade
- 5 years Investment Banking
- 3 years International Property
- 2.5 years Industrial Trading House

I would be in Europe/London for interviews first half of April. Please reply to Box No. F.519, Financial Times, 10, Cannon Street, London, EC4P 4BY.

### LEGAL NOTICES

No. 0078 of 1977. In the HIGH COURT OF JUSTICE, Chancery Division, Company Court, in the Matter of the CONSTRUCTION COMPANY LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding Up of the above-named Company by the High Court of Justice was on the 13th day of March 1977, presented to the said Court by A. J. CHARLES, Liquidator, of Messrs. Beckett & Co., 50, Whitechapel Street, London, E1 1BB.

The said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 13th day of April 1977, at 11 o'clock in the forenoon.

Any creditor or contributory of the said Company desirous to oppose the making of an Order on the said Petition must appear at the time of the hearing, in person or by his counsel, for that purpose, and a copy of the Petition will be furnished to any creditor or contributory of the said Company requesting such copy on payment of the regulated charge for the same.

CHARLES & CO.,  
50, Whitechapel Street, London, E1 1BB.  
Tel: 01-425 2821

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing to the liquidator of the company at the address stated in the notice, or to the person or firm, or to his or their solicitor, if any, as stated in the notice, sufficient time to reach the liquidator not later than four o'clock in the afternoon of the 1st day of April 1977.

### LEGAL NOTICES

No. 0088 of 1977. In the HIGH COURT OF JUSTICE, Chancery Division, Company Court, in the Matter of the HUSTLA LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding Up of the above-named Company by the High Court of Justice was on the 7th day of March 1977, presented to the said Court by MRS. E. M. BENTON, Administratrix of the Estate of the late Mr. HUSTLA, of Messrs. Bentons & Co., 1, The Strand, London, W.C.2.

The said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 4th day of April 1977, at 11 o'clock in the forenoon.

Any creditor or contributory of the said Company desirous to oppose the making of an Order on the said Petition must appear at the time of the hearing, in person or by his counsel, for that purpose, and a copy of the Petition will be furnished to any creditor or contributory of the said Company requesting such copy on payment of the regulated charge for the same.

HERBERT AND GOWERS & CO.,  
1, Temple Gardens,  
Middle Temple Lane,  
London, EC2Y 9BD.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing to the liquidator of the company at the address stated in the notice, or to the person or firm, or to his or their solicitor, if any, as stated in the notice, sufficient time to reach the liquidator not later than four o'clock in the afternoon of the 1st day of April 1977.

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No. 0078 of 1977. In the HIGH COURT OF JUSTICE, Chancery Division, Company Court, in the Matter of the CONSTRUCTION COMPANY LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding Up of the above-named Company by the High Court of Justice was on the 13th day of March 1977, presented to the said Court by A. J. CHARLES, Liquidator, of Messrs. Beckett & Co., 50, Whitechapel Street, London, E1 1BB.

The said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 13th day of April 1977, at 11 o'clock in the forenoon.

Any creditor or contributory of the said Company desirous to oppose the making of an Order on the said Petition must appear at the time of the hearing, in person or by his counsel, for that purpose, and a copy of the Petition will be furnished to any creditor or contributory of the said Company requesting such copy on payment of the regulated charge for the same.

CHARLES & CO.,  
50, Whitechapel Street, London, E1 1BB.  
Tel: 01-425 2821

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# FINANCIAL TIMES

# INDUSTRIAL ARCHITECTURE AWARD 1977

Applications are now invited for the 1977 award for an outstanding work of industrial architecture. This is the eleventh year of the award, which has proved a notable success, attracting nearly 700 entries for judgement in that time.

Entries The award is open to all designers of industrial buildings, both within the architectural profession and outside it. Nominations of buildings, together with the necessary particulars, must be received not later than June 3, 1977.

Conditions Nominated buildings must have been completed within the two years ending December 31 1976. A building may be nominated (subject to the time limitation) on two successive years.

Nomination Forms together with all particulars and conditions can be obtained directly from: Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Envelopes to be marked 'Industrial Architecture Award.'

The award will be announced in November, 1977.

Please send me an application form and further details of the Industrial Architecture Award.

Name \_\_\_\_\_

Address \_\_\_\_\_

**INDUSTRIAL ARCHITECTURE AWARD 1977**

**UNION CORPORA**

### DECLARATION OF DIVIDEND NO. 41

NOTICE IS HEREBY GIVEN that Dividend No. 41 of 25 cents per share has been declared payable to shareholders registered in the books of the company at the South African Exchange Control Authority, 15, Old Broad Street, London, EC2M 2EJ, on or after 28th March 1977, in accordance with the provisions of the Companies Act, 1948.

On or after 28th March 1977 warrants to bearer issued or to be issued by the company, and holders of a certificate of deposit issued by a Bank or other Authorised Depository, that such Authorised Depository is holding the Share Warrants, are requested to bring their certificates of deposit to the Meeting on or before 28th March 1977, at the office of the London Secretaries, Messrs. E. A. Brown & Co., 15, Old Broad Street, London, EC2M 2EJ, on or after 28th March 1977 in order to be lodged with the company's books.

Dividend payments will be subject to tax deduction wherever necessary in accordance with the laws of South Africa and the United Kingdom.

In regard to questions relating to the receipt of dividends, South African shareholders should apply to the South African Branch Office, English law.

The Register of Members and Beneficial Owners of the Company will be closed on 28th March 1977.

Under the Republic of South Africa Income Tax Act, 1962 (No. 58), a non-resident shareholder's tax liability on dividends received from the Company is subject to the provisions of the dividend declaration, which will be published in the London Gazette on 14th March 1977.

Beneficial owners of Share-warrants registered in any name other than that of Messrs. E. A. Brown & Co. (Nominees) Limited and holders of Registered Full Shares, who are desirous of attending the Meeting or of appointing a proxy to attend and vote in their stead, must inform the Company in writing by Wednesday, the 23rd day of March, 1977, of their intentions.

By Order of the Board,  
**E. A. BROWN & CO. INCORPORATED**  
15, Old Broad Street, London, EC2M 2EJ, ENGLAND

*Handwritten note:* JPK 1977 SA

# FINANCIAL TIMES SURVEY

Tuesday March 15 1977

*Handwritten signature*

# ITALIAN ENGINEERING

Dogged as it is by the problems that beset Italian industry—high inflation and a dormant domestic market—the engineering sector has a refreshingly outgoing approach. It puts strong emphasis on exports, technology and its contribution to a European onslaught on world markets.

Running with the tiger

Kenneth Gooding, Industrial Correspondent

CRIBING WHAT it feels to be running a large engineering group, in Greppi, commercial son of Snamprometti, said: "If you are on the back of a tiger, you run with the tiger. Managers throughout the world will understand what we mean. So many of them that they are locked in to inflation, with hardly any margin for manoeuvre while at the same time being buffeted by seemingly irrational exchange rate events. Top management is a slave. There is no question of taking any easy way out and sacking the staff. We cannot cut out the force. In Italy that is not so. We must find work for them, by exporting more, diversifying," declared Dr. Snamprometti. "What happens to the State-owned ENI is not simply a question of State-aid; it is State-aid that for it to continue at 20 per cent, a company finds it nearly impossible to make employees take bits of engineering concern. The employment hard because of the task they

protection legislation in Italy puts all but the very small companies in the same position. There is a "stabilisation fund" from which the Government pays part of a company's wage bill in cases where it would otherwise have to lay off people during periods of recession. But, as Dr. Greppi suggested, the answer for most Italian engineering companies to the problems of the past few years of recession has been to export more. Although some of the indicators look positively healthy—the GNP was up 5 per cent, and industrial output ahead by 12 per cent in 1976—for the engineering companies the Italian market has been almost completely dead. The main exception has been that manufacturers of steelworks plant have recently been getting more business from the home market than anywhere else in the world.

There are signs that the decline in industrial investment, which fell by 13 per cent in 1975, at least came to a stop last year. The general feeling is that the Italian markets for engineering products will bump along at the bottom of the demand trough for another few months before beginning a steady climb in the second half of this year. As in the U.K., the main occupation among Italian engineering companies in the home market is the rapid rate of inflation. Italy suffered an inflation of 20 to 22 per cent in 1976 and the forecasts are for it to continue at 20 per cent. This kind of inflation, however, makes it nearly impossible to make employees take bits of engineering concern. The employment hard because of the task they

have to tie up in stocks and work-in-progress. The average rate of inflation often obscures the real cost increases they have to bear. Fiat, Italy's engineering colossus, points out, for example, that in the first half of 1976 its raw materials costs rose 40 per cent, semi-manufactures 18 to 23 per cent and labour costs 23 per cent. Only steel with a 13 per cent rise was lower than the declared inflation rate.

Italian industrialists have no doubt about the main causes of their inflation problems: labour costs and public expenditure. Some of their fear that the recently completed deal with the unions might have solved a major part of the labour-cost problem. To be sure wages are still for the most part linked to the cost-of-living index. But strenuous efforts have been made by the Government and unions to work on the productivity side of Italy's version of the "social contract."

absence of a few skilled men could reduce output to a low ebb. There were also those employers who did not take extra holiday but simply stayed away to achieve the same "bridging" effect. This is only one aspect of absenteeism, a problem which is endemic in Italian manufacturing industry. In the 1970 to 1976 period, absenteeism increased by 4 to 5 per cent. Contributing factors are the social security payments which give a man up to 95 per cent of his usual take-home pay when he is off work; the often dangerous conditions in Italian factories and "moonlighting" which in the Italian style can often involve a man having two day-time jobs with the working hours overlapping. His second job is usually a small company which pays well below the proper rate and escapes the social security payments it should make to the State.

Although the unions strongly resented attempts by employers to get formal powers to investigate cases where they suspected a man's absence was not all it was made out to be, they are currently putting pressure on their members to make sure they are at work when they should be.

The problem is being attacked from a different direction in Southern Italy where dozens of doctors have been brought to court, charged with having signed medical certificates which they knew contained false information. Apparently most of this alleged falsification of certificates involved doctors taking what they considered to be a buzy course of action—

sting certificates for low-paid people who needed a second job to support large families. Although engineering employers are reasonably satisfied with the prospect of keeping labour costs under control, they hold out little hope that the other major problem—that of public expenditure—can be tackled successfully in the short term. "In Italy public expenditure has much to do with the size of the bureaucracy and its salaries. So it is very difficult for the Government to cut it back," was the way one executive summed up: "So I think inflation will stay high."

Apart from inflation, Italian engineering companies consistently face difficulties with the supply of credit. The Government's stop-go policies, which have sometimes involved a slamming-on of brakes after only six months of "go," have in the past relied on monetary measures to take the heat out of the economy or put some steam behind it.

Of course, interest rates are high, as you would expect when inflation is 20 per cent. The prime rate is 16 per cent, but nearly every Italian engineering company would have to pay 20 per cent, at least in interest on new borrowings. It is estimated that about 80 per cent of private engineering companies have short-term with the banks (the reason being that the stock market doesn't work very well) so it is not difficult to understand why the managers are bitter. Not only are interest rates

high, but cash itself is often difficult to come by. Here Italy parts company with the U.K. where the banks have any amount of cash to lend to industry but can find few takers. In Italy bank lending to industrial customers has been limited to an annualised 15 per cent, growth during the period between July, 1976, and March, 1977. And an import deposit scheme has, ironically, mopped up a good deal of the cash companies might have used for capital investment and to finance export projects.

The Government recently gave industry some relief by removing part of the social security payments burden. In future this will be recovered by increases in VAT. This move has given industry a once-for-all windfall worth about L1.5bn (roughly £940m). The major companies in particular are under some pressure to spend at least part of this on capital projects—if they do not wish to lose credibility with the unions. This investment incentive should help the engineering sector.

The success of Italian engineering's drive to export is everywhere to be seen. To take one of many examples; the machine tool industry pushed up its share of world exports from 5.5 per cent to 8 per cent during the recession. The recovery of the West German, French and U.S. economies—the best customers for Italian engineering—should also help if the domestic situation continues to stagnate.

Recent Ministerial changes have also brought a new mood of optimism among the indus-

trialists. In particular, the appointment of Dr. Rinaldo Ossola, a banker, as Minister of Foreign Trade and the only minister who is not an MP, has met with approval. Whereas previous appointees seemed to be unaware of the problems of manufacturing industry, "he understands the needs of industry and is helping us," maintained Eng. Guido Genaro of Fiat Engineering. At ANIMA, the mechanical engineering association, the view was that "he is one of the few Ministers of Foreign Trade who has understood the problems of the exporter."

Dr. Ossola has introduced a draft bill which aims to change some of the bureaucratic delays in the export credit system. At present exporters have to apply to three separate organisations before getting their credit and the idea is that these operations should be amalgamated so that industrialists would have to approach just one. This would not improve the quality of the credit but should dramatically shorten the time it takes to get approval for it.

As an example of what the Italian industrialist has to face, you have only to recall that in 1975, when the Government primed the pump by injecting extra funds into the export credit pool, not one company seems to have benefited—this largesse because the authorities changed direction after six months and took back the cash. And this was just not long enough for companies to get through the necessary docu-

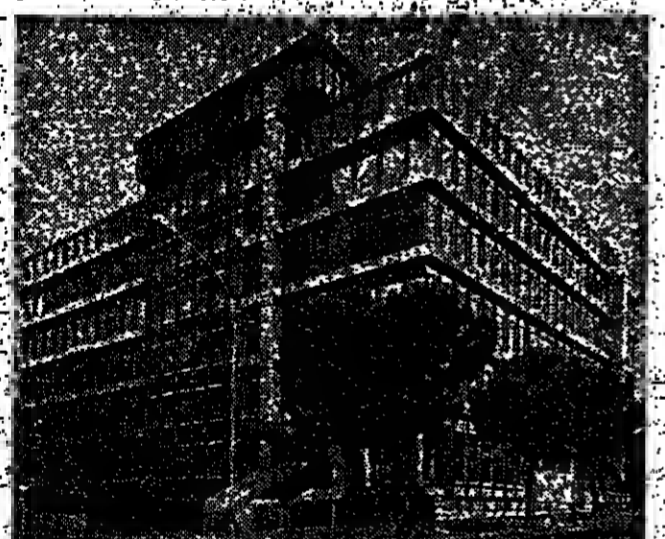
mentation to take advantage of the extra cash. The Italian authorities insist that most export credit is in hard currency with U.S. dollars the one preferred by many engineering concerns. San Rocco, a medium-sized machine tool company which has been exporting around 60 per cent of its output, quotes in Swiss and French francs and D-Marks as well as dollars depending on the circumstances, for example. This insistence on quoting in hard currencies can make life difficult for Italian engineers when they are dealing with some countries. A case in point is the recent award of a steelworks contract to a group of European plant engineering groups. The Italian part of the contract would have been worth around £30m. But the Italians insisted that the credit must be in U.S. dollars. The Brazilians insisted that the credit must be in lira. The Italians dropped out.

What export credit is available in Italy tends to be distributed among a large number of companies. This helps the Government spread the risks involved but it does mean that large companies have more difficulties than smaller ones in getting adequate credit. Credibility as well as credit concerns Italian engineering, as Fiat chairman Giovanni Agnelli pointed out in one of his best-remembered speeches. For the engineering companies this means that sometimes Italian politicians, as seen from outside the country, can influence commercial decisions. There have been recent cases where petrochemical plant deals have been

negotiated on the basis of the

of optimism among the indus-

CONTINUED ON NEXT PAGE



CTIP Headquarters—Rome

The speed at which technology is advancing has resulted in increasingly keen competition among engineering companies, which, through natural market forces has led to an international scale of values. Today's yardstick against which an engineering company is measured is its ability to create large-scale installations of maximum sophistication and specialisation. CTIP Società per Azioni is a Rome-based Italian company which this year celebrates forty years of world-wide activity in the design and building of industrial plants. The company has long been a leader in the engineering field, a position it has attained through the level and skill of its work and the high quality of its technology. In its rapid development, CTIP has extended its traditional field of activities from oil, chemicals and petrochemicals into the more advanced area of bio-chemistry, as well as into the nuclear and thermo-electric sectors. Today, CTIP is able to offer its clientele all the most advanced developments in its field. This is possible because of continuous refinement of its methods and technologies and because of constant up-dating of its own techniques with systems and know-how acquired internationally. Its extensive field organisation and enlightened understanding of problems of the future, place CTIP at the highest level of the international scale for engineering engineering companies; but it is fairer to say that CTIP owes this position to the high quality of its engineers and experts throughout the world, who devote their efforts and ability to better exploitation of modern resources in seeking a faster and more appropriate solution to the problems of tomorrow.



CTIP Headquarters—Scale model department

# CTIP: ADVANCED TECHNOLOGY

A company in the forefront of its field. International operating organization expanded. An interesting agreement in the nuclear sector. Two new major projects in Colombia and Turkey.

Diversified engineering CTIP is an engineering company specialising in the design and building of plants in the petroleum, chemicals, pharmaceutical, nuclear and thermo-electric sectors. CTIP has played a prominent part in the development of the Italian oil industry, and has also diversified its activities into every sector of the economy by building complete industrial complexes throughout the world for virtually all the major multinational companies. CTIP's entire share capital is held by BASTOGI INTERNATIONAL, and is able to provide operating and financial support to carry through almost any project.



View of the computer centre at CTIP Headquarters



A droughtstruck area at CTIP Headquarters

Technology Group experts are able to assist customers in the research of new fields of activity and the development of new projects. Throughout the project execution phase, the Technology Groups supervise the detailed designing in order to ensure optimum performance, and when building has been completed move to the job site to assist in commissioning the system. Specialists from Technology Groups are also available to clients to counsel them in solving problems of modification and modernisation of existing plants and of adapting them to the swift-moving development of contemporary technologies. Nuclear-powered and fossil-fired electric generating facilities CTIP and STONE & WEBSTER ENGINEERING CORPORATION have concluded an important co-operation agreement under the terms of which CTIP will be entitled to use STONE & WEBSTER'S technology in connection with the engineering, design and construction of nuclear-powered and fossil-fired electric power generating facilities. The agreement also provides for CTIP personnel to follow specific professional education and training programmes

for ESSO A.G. and in Sweden the SCANRAFF refinery which represents an investment of L1,250,000 million, and is one of the most important projects ever assigned to an international engineering company. New projects CTIP has recently been awarded two new major projects in Colombia and Turkey. In Colombia, Policosa has commissioned CTIP to design and build an industrial complex for the manufacture of ethene. This complex, to be built at Barrancabermeje, will be able to produce 100,000 tons a year to supply plants in Colombia making polyethene for the plastics industry. The new complex, due to enter service in about 2 years, will be able to satisfy the entire demand of the Colombian market for low-density polyethene, and in a few years, will be capable of a surplus output for export to international markets. The winning of this contract will benefit the Italian economy in terms of the substantial service work it calls for and additionally, because most of the materials needed to build the equipment will be bought on the Italian market. In Turkey, Petkim — Petrokimya A.S. — has awarded CTIP the contracts for a new 120,000 T/Y V.C.M. plant and a new 100,000 T/Y P.V.C. plant, valued at around US\$50m. to be assigned and built by CTIP on the basis of process know-how provided by SOLVIC. The plant will form part of Petkim's big petrochemical complex at Aliaga, near Izmir. To build this plant, CTIP will avail itself of the assistance of IBI (Istituto Biocintico Italiano), which will supply much of the required technology. For other systems in the complex CTIP will use SQUIBB & Sons inc. processes. CTIP continues to negotiate the building of other major plants in Italy and abroad. The company's high technology and the excellent qualifications of its engineers are the "ballmark" of its work, and the reason why it has for years been in the forefront of many new industrial development project.



Liquichimica Augusta S.p.A.—Sicily, Italy, petrochemical complex

By utilizing their respective experiences and capabilities CTIP and STONE & WEBSTER will be in a position to contribute effectively to the solution of many operational problems connected with the construction of such facilities both in Italy and internationally. Recent projects CTIP has handled numerous projects in Italy and abroad in the recent past. The more important ones are mentioned below. To Italy—the two latest refineries, at Berionico (Milano) for GULF and Volpiano (Torino) for BP, plus chemical plants at Robassomaro and Augusta for LIQUICHIMICA to manufacture lubricating oil additives and n-paraffins. Also a plant at Saline di Montebello (RC) for Liquichimica Biologese S.p.A. to make citric acid, amino acids and bioproteins. In the pharmaceuticals sector, plants have been built for SQUIBB near Rome and for FERMION OY in Finland to produce antibiotics, plus a complex in Leghorn for DOW CHEMICAL to make polystyrene. Abroad in the petroleum sector, a refinery in Hamburg

# The economic realities



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THE ITALIAN engineering union FLM is on the surface at least adopting an even harder line on the Government's fledgling "incomes policy" than almost any other element in the trade union movement—insisting on what amounts to the traditional concept of free collective bargaining, albeit in the overall context of national wage agreements.

Deep down, however, even FLM is aware of the present-day economic realities of Italy, and the tough speeches by its leaders are intended more for the rank-and-file membership than as an indication that the union really wants to step out of line from the main current philosophy of the whole trade union movement as represented by the three confederations, CGIL, CISL and UIL. This, in effect, is to put less emphasis in negotiations on actual money settlements in a kind of trade-off for positive measures to lower unemployment and also a direct say in both national and corporate investment decisions.

Behind this philosophy is the realisation—although very rarely publicly voiced—that the wages of most Italian workers have advanced steadily, indeed some might even say spectacularly, since the so-called "hot autumn" of 1968. Just a few random but representative statistics suffice to demonstrate this trend for the country as a whole. Actual earnings in industry rose by over 25 per cent. between the second quarter of 1973 and the corresponding quarter the following year. The 1975 increase over the previous year was even higher at almost 29 per cent. Specifically in engineering, Federmeccanica, the employers' federation, points to a 24 per cent. rise in engineering labour costs in 1975, and it was very wrong in its 1976 projections that labour costs would be limited to about 16 per cent. In the event the engineering sector as a whole was not much below the general pattern on contract wages in Italian manufacturing which, on the basis of latest confirmed figures, increased by almost 29 per cent. in the 12 months to last November.

Overall, average earnings have kept well ahead of the rate of inflation—itsself more than 20 per cent. in Italy last year—and trade union leaders (and of course, most workers too) now admit to this publicly in a different matter, but the realisation that sizeable real advances have been achieved in recent years has caused the unions to turn to more direct social questions, not least rising unemployment, together with an element at least of worker democracy in that they now want to exert direct influence on investment decisions, both those by the central government and by individual employers.

This process has of course been facilitated greatly by the national system of threshold payments—the Scala Mobile, or moving staircase—which itself feeds inflation but does provide workers with a built-in protection against rises in living costs, even where the determining factor is for all practical purposes totally out of the control of the central Government. This is especially the case over petroleum and its down-the-line by-products, and Italy depends almost exclusively on imports for its energy needs.

**Minority**

It is at this point, as it were, that the present minority Government of Sig. Giulio Andreotti came in. Last year's indecisive general election followed a six-month period of Government crisis which in its turn aggravated the basic weakness of the Italian lira. A temporary closure of the foreign exchange market was followed by a whole range of measures designed to provide an artificial prop for the lira. They included import deposits, a special currency surcharge and a progressive increase to an historic high of 15 per cent. in the central bank discount rate—the last mentioned, incidentally, still applicable and obliging many industrial borrowers to pay anything up to 25 per cent. for short-term funds (it is hardly surprising that industry generally is making few major new investments these days).

Having temporarily plugged the lira crisis, the political crisis in the aftermath of the general election was finally resolved when Parliament voted "confidence"—or more accurately, agreed not to express its lack of confidence—in Sig. Andreotti's minority Christian Democrat Administration. The

methodology is interesting and, subject to final Parliamentary approval, is being implemented for the first time in fact for the "neutralise" industry from a cost-of-living "basic threshold payment" later.

It is at least an in-between of sorts, and if success on the basis of the estimates cut back this year to 16 per cent. The penalty too. A who wishes to "peace" by making with his work penalised, since "tion" in part of contributions will any company exceed negotiated. It is not in the has happened before where the government—assuming the minority administration can win Parliamentary

## DEVELOPMENT PROJECTS

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ready to be signed with American companies only to come to a juddering halt when the main Boards back in the States have given the thumbs down. As far as the Italians are concerned, the explanation for the sudden turnaround probably lay in the image many Americans have of Italy being a country far to the Left politically. It also happens that the Italian companies involved were State-owned.

In this connection the Italian engineering groups are certainly interested in the concept of European unity going much further than it has so far. For them it is not simply a question of the need to break down chauvinism of the kind that insists that "British companies buy British goods whenever possible" and the replacement of tariff barriers with technical specifications which aim to protect local manufacturers. They also see the need for European groups to get together to compete against the growing power of the Japanese and the Americans.

The figure of 200 is important because once a company takes on more than 200 employees it runs into an entirely different set of employment protection problems. Italian legislation actually encourages companies to remain small—that is to keep the number of employees below 200. In engineering this is done quite simply. As a company grows it simply sponsors "another on which is set up to provide it with components. This new company, of course, has no formal connection with the first on which it depends for its livelihood. It is simply another small engineering company with fewer than 200 employees.

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However, the fact that Italy is not a power in world politics has some advantages. The developing countries, particularly those in Africa, seem to shy away from doing business with either Russia or America for fear there might be some ulterior motive behind the deal. With Italian companies they can be pretty sure that they are simply after the business and have no intention of bringing in KGB or CIA agents when they arrive.

In the words of Dr. Angelo Dell'Aquila, managing director of Pignone Engineering, the London-based offshoot of Nuovo Pignone, "Europe that industry must realise that it is being squeezed by two big and powerful blocs—the Japanese and the Americans. We have the human resources to compete but we must form international consortia to do so. We can create a 'technology bloc' of our own. By this I don't mean that there should be full international mergers between companies of different countries. It is too early to think about that yet."

The automotive industry, dominated by Fiat, has climbed back laboriously to the levels reached before the crisis. But the impact on the white goods industry is still being felt. Only a handful of major Italian companies are left. One of them, Ignis, is now owned by Philips of Holland, while another, Zanussi, was helped by an injection of capital from Germany's AEG group. More recently, only this year Philco Italiana, owned by Robert Bosch of Wuppertal, Germany, was about to go out of business but Iranian interests stepped in to buy control and offer salvation.

## COGEFAR:

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COGEFAR—Costruzioni Generali S.p.A. is one of Italian civil engineering construction contractors. Head Office in Milan at 21, Bastioni di Porta Nuova. Civil engineering construction has always been very important to the national economy (contribution to the balance of payments equilibrium opening up of new avenues to the export trade technical production).

COGEFAR belongs to the limited "elite" of leading contractors. Its working activity, either on its own venture with other important industrial groups, developed throughout the world, from Africa to America, the Middle East, Asia and Australia.

The main industrial activities of COGEFAR cover: construction of dams and hydraulic schemes in general, railway lines, roads, highways, bridges, tunnels, harbours, industrial plants, traditional and in part fabricated buildings and nuclear power stations.

A list of its main activities will suffice to point out that COGEFAR is the kind of building contractor about any and all civil engineering works. It emphasises COGEFAR's ability and efficiency in fabricating buildings particularly in the industrial residential buildings in which the Company has been very successful in other countries: France, definitely the main in this respect. Another of COGEFAR's major activities is the construction of nuclear power stations, (for ex. Gosgen-Deeniken project).

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State control of industry goes much deeper in Italy than in the U.K. with not just the obvious areas like the supply of energy, the manufacture of steel and ships coming under the Government's direct influence. There is a whole host of textile machinery makers within EGAM, while another state holding company, IRI, has control over companies making domestic washing machines, freezers, air-conditioning units and incinerators at the lighter end of engineering as well as steel plant and process plant at the heavier end, with the Alfa Romeo car business in between.

As with the U.K., many private-sector industrialists see the State holding companies as a repository for "lame ducks." While there is some evidence to support this view, there is also evidence to support the claim by

So there are still problems for Italy's engineering companies. Domestic demand will remain flat for some months. Export markets are becoming a little easier but remain extremely competitive. It seems, therefore, that Italian engineering will have to "ride with the tiger" for some time yet.

Italy's engineering companies are still suffering to some extent from the after-effects of the oil crisis. It is estimated that up to 60 per cent. of the sector was in some way involved in the production of cars and so-called "white goods" (fridges, freezers and so on)—the two sectors hit the hardest by the two-wide economic recession.

سكيا صلا

# ITALIAN ENGINEERING III

## Machine tool exports a bright spot

HERE IS a half-joke often repeated by Western industrialists. It suggests that on any aircraft flying between continents in the Western world you will find at least one Japanese businessman. The Japanese have developed this over the past couple of years by adding "and in every airport you will find an Italian machine tool manufacturer looking for more export trade."

Certainly the machine tool sector, already one of the more successful in Italian engineering, has performed remarkably well during the recession. It has not been simply a question of putting up with the percentage of output which has been exported, but your home market is a market that is not too difficult to enter.

But the Italian industry has increased its percentage share of world exports of machine tools from 6.5 per cent in 1974 to 8 per cent in 1975. At a time when world demand fell by 10 per cent in terms, Italian exports were an increase of 1 per cent in weight and 34 per cent in value. As a result, for the first time Italy reached third place among machine tool ex-

porting countries behind only West Germany and the U.S. In spite of the slackness in home demand—illustrated by the fact that at times during the second half of 1975 around 16 per cent of the industry had to turn to the Government's stabilisation fund (which pays a per cent of wages when layoffs would otherwise be inevitable)—Italy confirmed itself as fifth among the machine tool producing countries, ahead of the U.K. and France, both countries with considerably older industrial and mechanical engineering traditions.

For many years the industry has had a positive balance of payments position. The 1975 surplus, with exports worth L138.2bn. and imports at L143.2bn., was a healthy L5.0bn. The emphasis Italy has placed on machine tools must be understood not only from the viewpoint that it is a key component within any mechanical engineering industry. It should also be remembered that the machine tool has an enormous effect on the labour market. In fact, 2,000 kg. of product are enough to provide a shop floor employee and someone on the administrative side to back him up with work for a year.

The cost of raw and semi-finished materials incorporated

in the construction usually do not amount to 10 per cent of the selling price, while the cost of labour comes to about 40 to 45 per cent.

There are about 450 Italian machine tool companies and, as is the custom in engineering throughout the world, they draw from a great many more engineering concerns—UCIMU, the machine tool manufacturers' association, estimates several hundred small concerns revolve around the industry.

The 450 companies employ roughly 3,700, so the average size of each unit is small, with 52 people against 225 in the U.S., 270 in the U.K. and 188 in France.

are involved in the production of special-purpose machine tools, welding machines and steel bodywork installations, blanking and drawing dies, storage equipment, plus a wide range of products mainly for Italian and European car, commercial vehicle and tractor manufacturers.

Three years ago another machine tool giant was formed when the troubled Saneustachio concern was merged with Innocenti, one of the profitable parts of the State-owned IRI-Finias group.

It employs around 3,500 people, but they are working on iron and steel processing machinery as well as machine tools. Roughly 30 per cent of Imse's L115bn. annual turnover is accounted for by machine tools and presses.

After two years of hard work putting the two organisations together, Imse broke even financially in 1975, according to Emilio Dell'Antonio, the director, when I met him at the headquarters in Milan.

### Structure

However, Italy also has a couple of machine tool "giants." In particular, Fiat's machine tools and production systems group, which has 11 plants (ten in the Turin area and one at Modena), which employ a total of 5,800 people. Fiat, under its new structure, calls its machine tool group Comau Industriale, an organisation formed by the acquisition of MST, Colubra Lamat, IMP and Morando and the specialist activities of the Berto Lamet, IMPES and UTS companies.

These constituent concerns

### Technology

Both Comau and Imse concentrate heavily on producing machines incorporating a great deal of high technology. This approach is common throughout most of the Italian industry.

For example, at San Rocco, the Monza-based, privately-owned concern with about 300 employees at its three factories, and therefore medium-sized in machine tool terms, says that 25 per cent to 30 per cent of its output is of numerically-controlled machines and that they represented some 50 per cent of its sales last year.

"In fact, the penetration strategy of our manufacturers into foreign markets—where strong competitors such as the Germans and Americans have been operating with success for years—is based on special machines of high technological content which satisfy the customer's particular demands and which are almost made to measure," says Angelo Girola, president of UCIMU.

Furthermore, this type of machine, being typified by a high added value, permits Italian industry to overcome the price restraint and be present on the international market on competitive terms.

To emphasise this point, UCIMU points out that since 1968 the average unit value (lira/kg.) of machines exported has consistently exceeded that of machines imported. In 1975 the average unit value was L3,871 against L3,100 for imports.

The medium-sized and smaller machine tool companies in Italy are able to keep up in the technology race because they can call upon CENI, the machine tool research institute (part of CNR, the Italian research institute which gets some Government funds) to help with equipment and resources they cannot themselves afford.

And the smaller companies have plenty of incentive because the return on the investment in a good idea and in a new product which is successful comes through much more dramatically in profit terms.

Italy also has a machine tool financing scheme, which, because it was designed by the producers, actually works quite well. Operated through a banking organisation, IMI, capital equipment purchasers are offered low-interest, long term money against the purchase of a particular item of machinery or plant. The current rate of interest under this scheme is around 6 to 7 per cent for five-year money against the 20 per cent which major companies are having to pay for bank loans.

It is estimated that 25 to 30 per cent of the machine tools bought by Italian companies are financed through this scheme. Roberto Verzelloni of San Rocco says: "Without this scheme many Italian companies could not afford machine tools, particularly the numerically-controlled machine tools which tend to be that much more expensive."

Kenneth Gooding

## Motor industry fights back

A recent letter to shareholders, Fiat chairman Signor Gianni Agnelli stressed that the company's car manufacturing sector was still "on the rise" despite a 3.1 per cent decrease in unit sales last year compared to 1975. According to Agnelli, the difficulties of the Fiat car sector were those of the European car industry as a whole. At the same time, he said, "it would be wrong to say that Italy is losing jobs and jobs, not out of any inefficiency of her automobile industry, but of an economic policy of recognising the importance of the industry in employment and its contribution to the balance of payments."

The chairman of Fiat, the largest private enterprise with a turnover of more than L10,000bn. (about £7bn.) last year and employing some 250,000 in its car and industrial sectors alone, said Signor Moro, Managing Director of Alfa Romeo, the company's other leading car manufacturing company, said last month it was essential that Government "stopped" the private car at a time when the most realistic forecasts suggested a sales increase of 10 per cent in 1976 compared to last year's total of just over 1m.

The Italian car industry last year not only faced the wider world of rising labour and costs and the difficult relations afflicting enterprise as a whole, it also had to contend with the increasing penetration of foreign cars on the domestic market. Figures for the first nine months of last year show that several foreign firms made considerable commitments to its car manufacturing activities, is clearly the previous year. The unit R5 TL, with \$1,378 unit sales, increased the sales by 5 per cent, while the Opel dett 1000, with 19,039, delivered at the Rome Rotary

Club earlier this month, Fiat's General Manager, Signor Cesare Romiti, said that the company was now forced, in view of the uncertainties of the present Italian economic climate, to restructure its activities to meet market alterations adequately. Fiat, he said, wanted to concentrate on its industrial interests by focusing on operations which had a capacity for international competitiveness. In particular, he added, the group wanted to promote production and sales of commercial and industrial vehicles and to consolidate its presence on developing markets, not only through trade exchanges but through the direct siting of plants in these markets.

Provisional figures for Fiat's commercial vehicle subsidiary, Iveco, show an increase of 10 per cent in sales last year— from 65,416 in 1975 to 103,000— while sales of tractors built by Fiat Trattori Spa increased by 13.8 per cent, from 70,833 units in 1975 to 80,600 last year.

An indication of Fiat's intention of obtaining a larger share of the world engineering market can be gauged from the deal between the Italian group and the U.S. concern Allis-Chalmers. At the end of January, Fiat announced that it was increasing control over the joint company, Fiat-Allis, which it formed with the American company in 1974. Originally Fiat held a 65 per cent stake in the partnership, which was formed to combine the construction equipment activities of the two companies. But under the new agreement, Fiat increased its share to 77 per cent.

A further indication of the group's decision to step up its activities in this field was the announcement last month of a long-term contract signed by Fiat-Allis with Universal Tractor and Centrale Industriale Trattori e Macchine di Romania. This agreement envisages co-operation on the construction of two new types of earth-moving vehicles.

Fiat is also currently negotiating the sale of 10,000 industrial diesel engines to the U.S. Ford Motor Company of Dearborn. The engines, produced by the Fiat subsidiary Application Industriale Fiat-OM (AIFO), will be subsequently sold by Ford on the U.S. and Canadian markets, and according to the Italian company this could be the first of a long-term series of similar agreements between the two groups.

As regards its car manufacturing sector, Fiat is clearly now looking to the new markets of the developing world for its future expansion. At present it is competing for a contract to build a plant at Oran in Algeria with a proposed capacity of 100,000 cars annually. And while maintaining a reasonable level of investment for a steady expansion in the West European car market, Fiat is also seeking to penetrate the new markets of the Middle East. Its \$252m. deal last year with the Libyans has effectively given it a head-on start in this direction.

**Handicapped**

Alfa Romeo has been particularly handicapped by the Fiat subsidiary near Naples, which has consistently reported heavy losses since it was set up in the early 1970s. Daily production at the Alfa Sud plant at Pomigliano d'Arco—built to function "with the precision of a Swiss watch"—was expected to reach over 1,000 cars a day in 1974, but it has in effect averaged only around 400. The plant has been plagued with labour troubles, and in 1975 alone 1,420 unofficial strikes seriously disrupted plant production.

Although Fiat's record last year was more encouraging, the increasing penetration of foreign cars on the domestic market, figures for the first nine months of last year show that several foreign firms made considerable commitments to its car manufacturing activities, is clearly the previous year. The unit R5 TL, with \$1,378 unit sales, increased the sales by 5 per cent, while the Opel dett 1000, with 19,039, delivered at the Rome Rotary

### A US\$ 105 MILLION CONTRACT AWARDED BY ALGERIA TO THE COOPERATIVA MURATORI E CEMENTISTI—C.M.C.—RAVENNA, ITALY

EMPAC, the Algerian State Company, has awarded COOPERATIVA MURATORI E CEMENTISTI—C.M.C., Ravenna, the contract for the construction, on a turn-key basis, of three Flour Mills of 30,000 capacity to be erected in the Kabila Region. The initial value of the project amounts to US\$ 105 million.

The contract was signed on March 9, 1977 in Algiers by Mr. Mustafa Mokran, Managing Director of EMPAC and by Geom. Edgardo Ravafoli, Managing Director of C.M.C.—the Flour Mills project will benefit from the most advanced technology in both civil engineering and installation works, he later being contracted to other Italian companies under the sponsorship of C.M.C.

According to the agreement, most of the materials required (cement, iron etc.) will be exported from Italy and the contract therefore represents (and because 70% of the contract monies are US\$ Dollars) a prominent event in Italian economic policy focusing on investment from initiatives abroad. The completion of the works should take 36 months and will involve a number of other co-operative societies, members, as is C.M.C., of the National League of Co-operatives.

This tangible success represents a highlight following remarkable initiatives already under way, as well as the possibility of further, more wide-ranging agreements with the Government of the Democratic and Popular Republic of Algeria, within the framework of the long-standing relations with the National Co-operative Societies League (Lega Nazionale delle Cooperative).

In the course of a lecture Paul Betts

Handwritten text in a box, possibly a signature or note.

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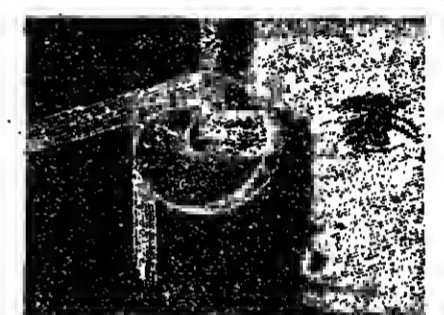
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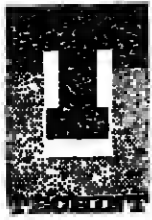


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# Mechanical sector goes on growing

THE OUTPUT of Italy's mechanical engineering industry accounts for roughly one third of the country's entire manufacturing production. The rapid development of the sector has been matched only by that of France in Europe and Japan elsewhere in the world.

ANIMA, the mechanical engineering trade association, takes in more than 1,000 member companies in 52 different areas of the industry—just one indication of the scope the industry covers to-day. Both public and private sector companies are involved and between them the ANIMA members represent 80 per cent of mechanical engineering output. On average they export about half their production.

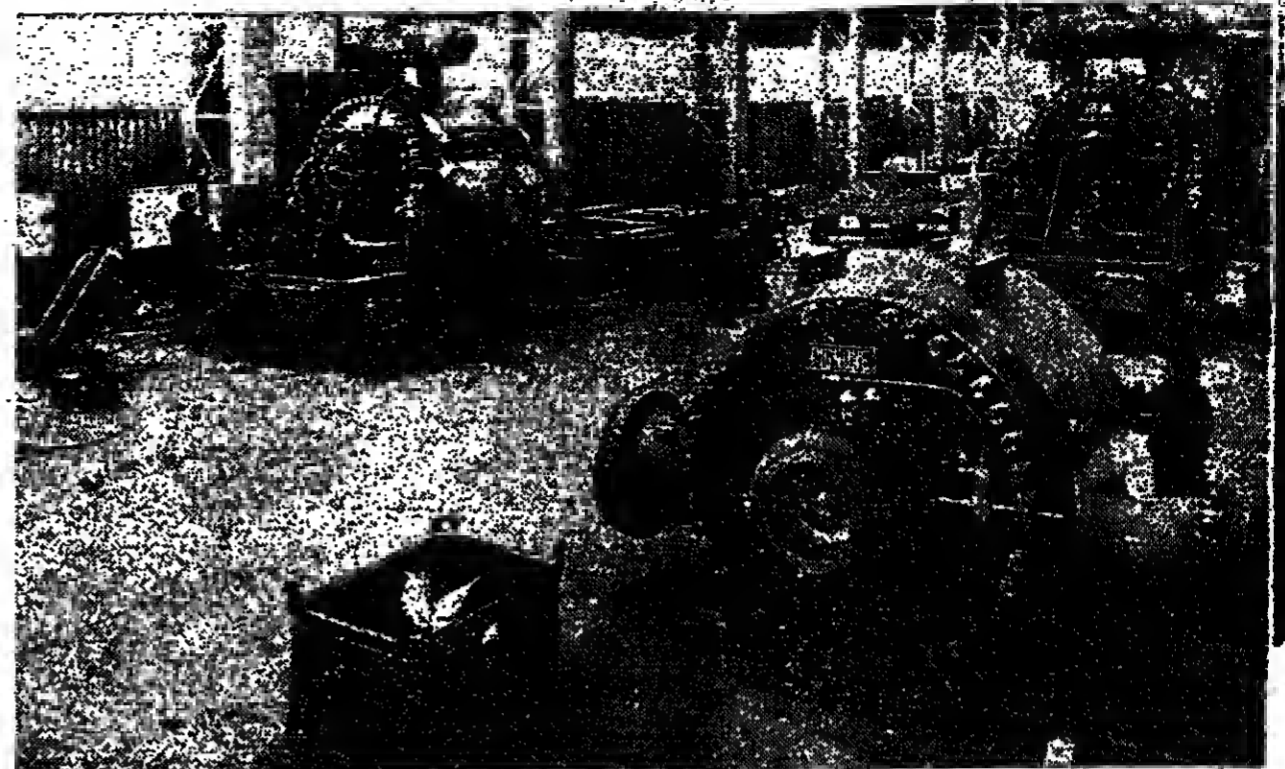
During the past decade the industry has generated about 500,000 new jobs, taking the total employed to around 1.4m, or roughly one third of the people in Italian industry in general. (The 1.4m includes, of course, those in the automotive sector which comes into the ANIMA orbit.)

It often happens that one particular mechanical engineering sector will reflect and illustrate the general pattern of activity. This can be said for the drop forgers whose products go to nearly every part of mechanical engineering, and so their experience tends to mirror the overall picture.

### Indication

So the monthly trend inquiry among the 13 drop forgers which are members of ANIMA should be enlightening and give a good indication of how the rest of the members are faring. The February trend inquiry showed five of the companies stating that the level of orders was "normal", four said it was "good" and four said it was "going down." Nine companies were producing normally, two below normal and two above. As for plant usage, one company said this was 90 per cent, three 80 per cent, one 78 per cent, one 75 per cent, three 70 per cent, and four at 60 per cent. Eight said stocks were "normal", four had above-normal stocks and one was below normal.

None of the companies were suffering industrial disputes. None expects to take on any extra people. Ten reported their workforce was "stable" and



Final assembly of pipeline centrifugal compressors at the Nuovo Pignone Florence factory.

two were actively reducing the numbers of employees.

This picture is exactly what you might expect to find as manufacturing industry climbs very slowly out of a deep slump.

Of course there are major exceptions to the general picture. Italy's building and construction industry is as sorely pressed as its counterpart in the U.K., and those mechanical engineering concerns which rely on it have been hit harder than most. Makers of central heating radiators and of enamel baths, for example, have been among the companies to go out of business during the recession. Manufacturers of construction equipment have also suffered, sometimes working at only 50 per cent of capacity.

Manufacturers of refrigerators, cookers and coffee machines have been among the companies to shut down, reflecting the impact on consumer goods.

The other side of the story is that Italy's producers of packaging machinery and refrigeration plant, particularly those which can offer complete "packages," have been doing well, especially with exports to

the OPEC countries.

It has been exports to Eastern Europe which have helped Italy's textile machinery makers survive the slump. This is one of the more important sectors in Italian mechanical engineering and employs about 28,000 people. Through companies like EGAM, the State-owned group employing some 5,000, and Marzoli, one of the main private sector concerns, Italy is one of the principal world suppliers of spinning machinery.

Italy also provides much of the specialised finishing equipment used to dye, bleach, dry, print or coat fabrics after weaving or knitting and has been responsible for some of the main developments in knitting technology.

The textile machinery makers describe their markets as "neurotic," meaning they are likely to be affected as much by changes in fashion for materials and clothes as by the general economic climate. The usual four-year cycle of demand has been stretched a little this time, but the manufacturers now feel that they are off the bottom of the trough.

The main problem for mechanical engineering com-

panies in Italy at the moment is, naturally, the 20 per cent rate of inflation which makes pricing, exports and raising cash difficult. Credit is still in short supply, particularly credit for export contracts.

There is a feeling that changes will be made under the new Minister for Foreign Trade, Dr. Rinaldo Ossola, and the draft bill he has presented which aims to change the export credit system by simplifying it considerably contains a provision to allow the pre-financing of longer-term export contracts. That would certainly benefit the mechanical engineering sector and is something ANIMA has been pressing for. ANIMA sees the present time as "a waiting period." One of

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## Foreign ventures are a success

DESPITE THE acute recession in the domestic market, Italian engineering concerns have lately stepped up their assault on the new markets of the Middle East oil producing countries. At the same time as continuing their drive in the Third World and Comecon countries. Backed by recent diplomatic initiatives at ministerial level aimed at reducing Italy's heavy oil deficit—which last year was estimated at

about \$US10bn.—Italian engineering companies have succeeded in substantially increasing their share of overseas business, especially in OPEC member states. According to the latest figures, Italian enterprises last year secured contracts for an overall value of L2,100bn. (about £1.4bn.), an increase of L900bn. (about £600m.) on the year before. Of this total, more than half was accounted for by oil-producing countries.

To a great extent this success can be attributed to the ability of Italian companies to enter into direct barter deals involving the exchange of technology, know-how and goods for raw materials, particularly oil, with developing countries. Paradoxically, it can also be attributed to the paucity of Italian export credit facilities, which has forced Italian companies to rely heavily on their own devices to compete on the international markets. And, in some measure, it can be explained by the fact that the Italian companies, themselves part of a recently industrialised country are often able to relate more closely to the problems of industrialisation in the developing countries.

Direct barter deals, like the \$425m. contract signed last month between the Italian mixed private-State Agusta-ENI group and the Iranian Government involving the sale of 50 Agusta "Chinook" helicopter copiers in return for Iranian crude oil, is Italy's latest device to promote its engineering abroad. The Italian State hydrocarbon group, Ente Nazionale Idrocarburi (ENI), is now negotiating an ambitious 50-50 joint venture with Iran which could give ENI engineering subsidiaries like Nuovo Pignone and Snam Progetti a major advantage in securing grad motor manufacturing plant

future projects in Iran.

Already Italy's other leading State holding company, Istituto per la Ricostruzione Industriale (IRI), is involved in what is perhaps one of the biggest Middle East infrastructure projects to date—the \$1.5bn. new harbour of Bandar Abbas in southern Iran. The new harbour, which will eventually accommodate 40 large ships, will include 60km. of new roads and 20km. of railway. According to Professor Loris Corbi, President of Condotte d'Acqua, the IRI subsidiary contracted to build the harbour, the project will employ a total workforce of 3,000, of which 1,000 will be Italians. Another IRI subsidiary, Itallimpianti, is currently competing for a \$2bn. plus steel and industrial complex, which is also to be sited at Bandar Abbas.

### Penetration

To increase their penetration in developing countries, Italian engineering concerns have increasingly resorted to the device of forming a consortium to sell complete packages of technology, equipment and know-how. Recently they have attempted to enter into triangular-type operations whereby an Italian group seeks a foreign partner to share the risks of undertaking a project in a third country.

The most celebrated operation of this kind has been the \$225m. deal signed between Libya and Fiat at the end of last year. By acquiring a major injection of fresh capital from the Libyans there have been strong indications that Fiat technical co-operation agreement with the U.S.S.R. for five years, could now decide to recycle part of the Libyan major advantage in securing grad motor manufacturing plant



can su

1. The project, the engineering and the feasibility studies

2. The construction of the structure and/or the supervision for the erection

3. The testing and start-up

4. The technical supervision of the running during the guarantee period

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1. Transmitter, Ghana (Italy)  
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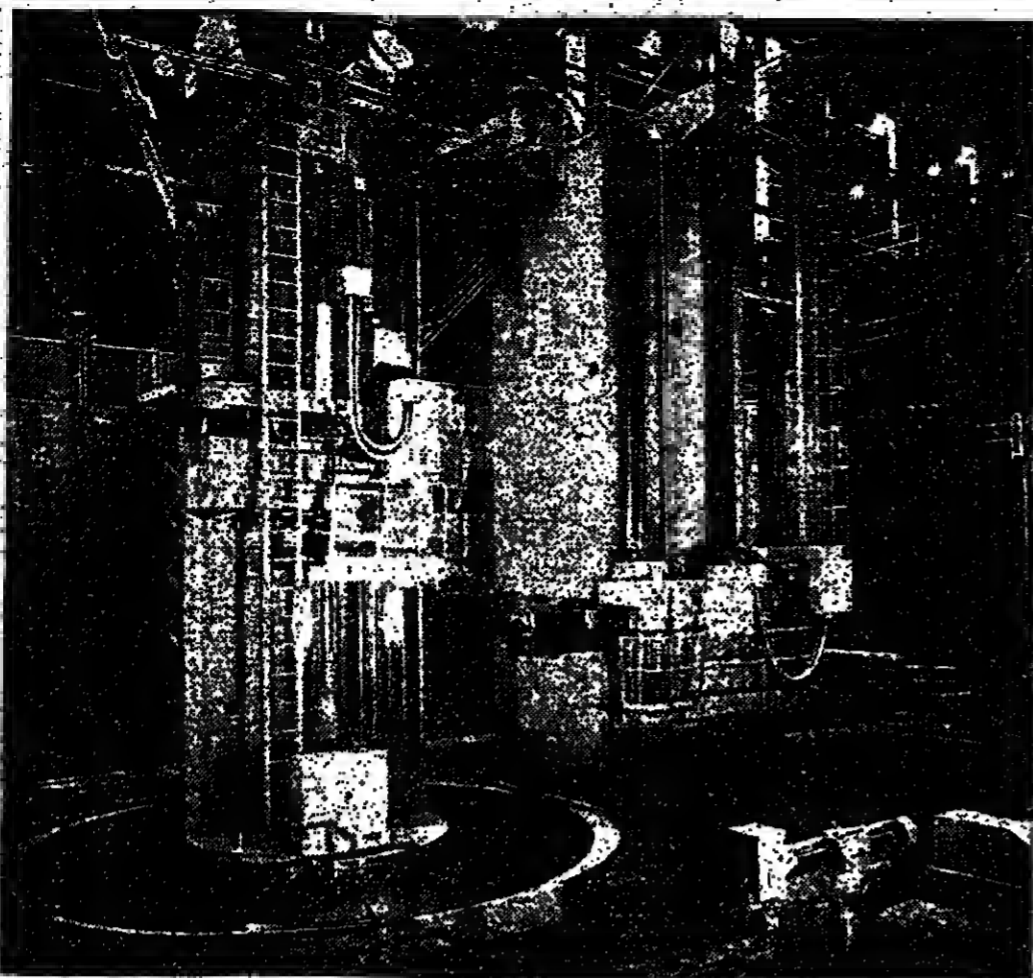
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# Swift nuclear growth

...with official blessing, a just about the most rapidly rising curve projecting growth of its nuclear industry of any industrialised nation. The irony is that the amount of new nuclear megawatts added to its electricity supply remains depressingly

...Ten months ago an inter-ministerial committee approved a national nuclear energy plan drawn up by ENEL (representing 75 per cent. of the electricity supply system) and the National Committee for Nuclear Energy (CNEN) at the invitation of Mr. Donat Cattin, Minister for Industry. The plan for construction of a score of reactors nominally of 1,000 Mw by 1985. Eight were ordered last year alone. The first two new reactors were given the all-clear in January this year. These are boiling water reactors (BWR) of U.S. General Electric design to be built at Casarzo di Castro in Upper Italy for completion in



A vertical boring machine, used to machine the interiors of nuclear vessels, supplied and installed by Innes at Westinghouse-Pensacola factory.

...project will draw on years of experience with a similar scheme at Casarzo di Castro, 50 miles from Milan, a joint venture between General Electric and AMN (Atomi Meccanica Nucleare) in constructing Italy's first BWR. Fuel has been loaded this summer. The project is over two years behind schedule. But in any case it has to be said that the full brunt of an idiosyncratic situation but of a public opinion which has spread since 1970. These fears have given additional impetus to the industrial accident at Tchernobyl last summer, which has been a deadly and indescribable chemical over a large

...ing the national nuclear plan. One is the slow process of authorisation of each new project. According to Ing. Moretti this should be just over two years, but in practice will probably turn out to be longer.

## Money

...The other problem is finding the cash. The theory is that the money required—\$10bn. at early 1975 prices—will be raised by ENEL from three sources. By increasing public funds available to the State-owned utility by a 50 per cent. increase in electricity tariff, spread over five years; and by big recourse to borrowing at home and overseas.

...Italy's nuclear electricity output totals only about 620MW from three demonstration reactors installed in the 1960s. One, Latina (200MW) was a magnox reactor designed in Britain, which in 1975—the last full year for which performance figures have been published—averaged a load factor of 71.1 per cent. But the Italian nuclear authorities have chosen to divide their power programme between boiling and pressurised water reactors. During 1975 the 260MW Westinghouse PWR at Trino Vercellese turned in a load factor of 102 per cent., operating at full power for 363 days. Its BWR counterpart at Garigliano (160MW) produced

...a less impressive figure of 36 per cent., depressed by a lengthy mid-summer shutdown for repairs.

...Nevertheless, the Government has tended to favour the Italian BWR vendor, namely the Finmeccanica group, part of the State-owned IRI. The twin reactors at Montalto di Castro, totalling 1,664 MW, will be built by AMN Impianti Termoelettrici Nucleari, a subsidiary of Finmeccanica based in Genoa. As with the Casarzo project, U.S. General Electric is a partner in a joint venture to build the station. But, ostensibly to allow for extra work to be done on the foundations, construction time has been extended from 63 to 78 months for the complete project.

...The Westinghouse PWR vendor is the Fiat-Breda Termoelettrici, which has a joint company with Westinghouse Electric, called SOPREN. Fiat's own nuclear interests have just been restructured, so that its nuclear energy division has become part of Fiat Termoelettrici e Turbogas, now renamed Fiat Termoelettrici Nucleare e Turbogas—part of the Fiat Energy Sector. Breda, another subsidiary of Finmeccanica, was the first company outside the U.S. to be certified by U.S. nuclear vendors for fabrication of pressure vessels, steam generators, etc., to nuclear standards. Its advanced manufacturing technology has been licensed to the new heavy nuclear compon-

Italian market is Canada's Candu. CNEN has designed its own pressure-tube type of reactor, Cirense, a heavy water moderated, fog-cooled system, fuelled by natural uranium.

Construction of the 40MW experimental version began tentatively at Latina in 1975, after four years of discussion. Late last year CNEN gave Italy's advanced nuclear systems group Nuclareare Italiana Reattori Avanzati (NIRA) a \$104m contract to build the "nuclear island." Cirense, scheduled to operate in 1982, is claimed to be an advance on the Candu concept. But, meanwhile, Atomic Energy of Canada has recently signed a licensing and commercial agreement with Progettazioni Meccaniche Nucleari (PMN), another subsidiary of Finmeccanica, which it hopes will establish Candu's claims to be advanced once again to ENEL in competition with the light water reactors. An earlier Canadian foray into this market was unimpressive in the price tendered.

## Experimental

NIRA is nearing completion of PEC, an experimental sodium-cooled fast reactor project, designed as a test bed for fast breeder fuel for CNEN. It is also participating in the design and construction of Superphenix, the 1,200 MW demonstration fast breeder to be built in France as a joint French German-Italian electricity industry venture.

The picture portrayed of Italy's nuclear industry is of a complex interweaving of commercial interests in which, through different subsidiaries, one or two major companies are simultaneously promoting rival reactor systems. Italy, largely through the enthusiasm of ENEL's widely respected chairman, Professor Arnaldo Angelini, has long been an ambitious nuclear nation, well-regarded in many developing countries. It has also performed well as an exporter of major nuclear components. For the main reactor vendors it represents to-day a potential market as attractive as Spain or Iran.

What Italy lacks is not technology but the political determination to free the country from crippling dependence on overseas energy supplies.

David Fishlock  
Science Editor

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## Foreign

CONTINUED FROM PREVIOUS PAGE

...Soviet Union. The bridges—have paved the way for their part, have for themselves into the world by taking a stake in a group. building a substantial presence in countries like Soviet Union, Poland, and Latin America. a leading group like the Milan-chemicals conglomerate, is clearly looking for the long-term potential in markets. Last year, Fiat's horizons in Brazil. Fiat's large-scale car plant with a capacity of 150,000 engines. The earmarked for the market, while the are principally directed to port. Already Fiat is being built on Fiat's at the Polish Polish aut.

...ing of the new headquarters of the Italian-Soviet Chamber of Commerce in a visit which has been widely regarded here as an attempt to consolidate the presence of Italian companies in East European markets at a time when the Italian Government is finding it difficult to meet Soviet requirements for new Italian export-credit lines.

## Drive

...Already there are signs that this concerted drive to promote Italian industry overseas is paying dividends. In the last two months, several Italian companies have reported major contract awards. The ENI engineering subsidiary Tecenco has been contracted to supply digesters for the water deputation plant of Sha-Tin in Hong Kong. to build a major desalination plant in Doha and five refrigeration units in Libya for storing fish. Italsider has been contracted by the Saudi Arabian State hydrocarbon concern, Petrochem, to supply wide diameter piping for the proposed 1,300 km pipeline which will dissect Saudi Arabia in two. And Snam Progetti and Saipem have jointly been contracted by the Oman Government to build a 325km natural gas pipeline.

...The Italian Government is at present discussing ways of increasing and speeding up the current export-credit system to reinforce the possibilities for Italian engineering abroad. With a long and impressive tradition, Italian engineering finds itself with the big advantage of having a central Mediterranean base ideally placed on the doorstep of the rich markets of the Middle East. It is this advantage that the Government is now trying to consolidate by formulating for the first time a co-ordinated export promotion policy.

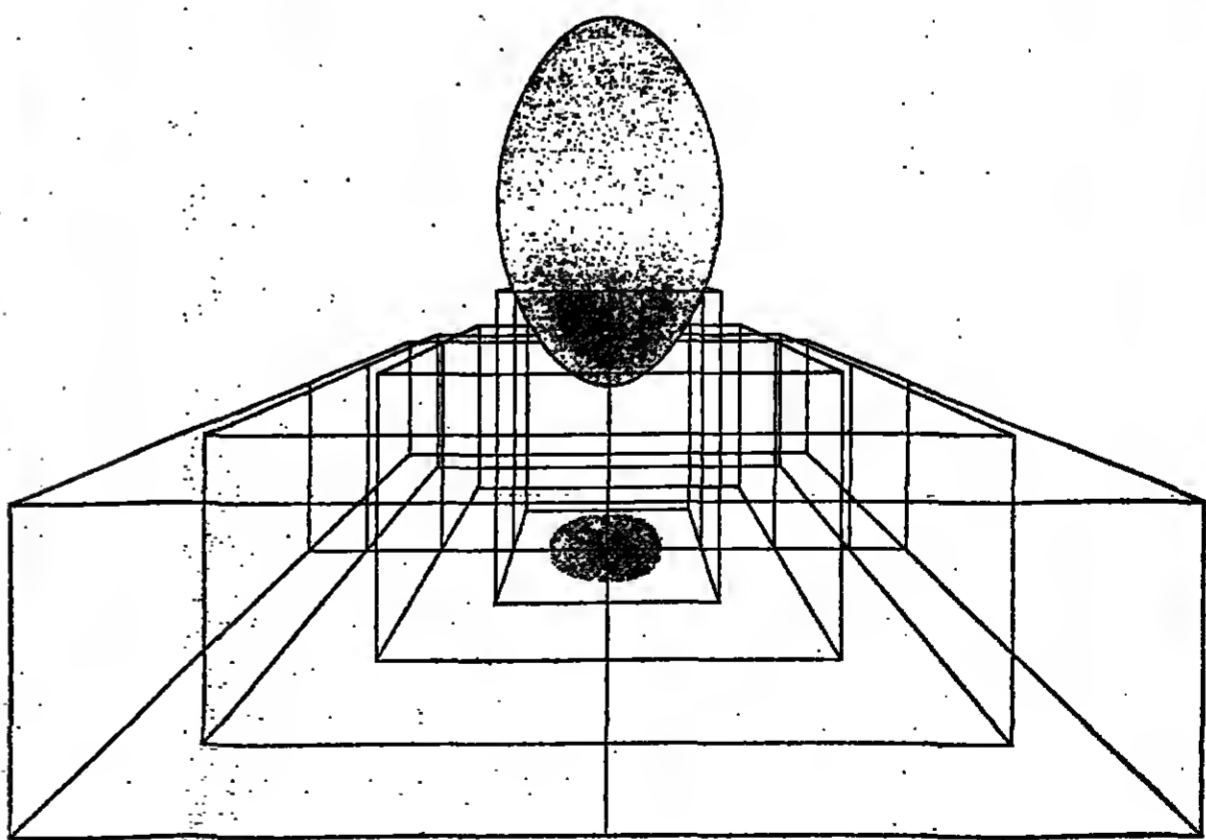
...So far, the Italian Foreign Trade Minister, Signor Rinaldo Ossola, has travelled to Saudi Arabia and Libya, while the Italian Interior Minister, Signor Carlo Donat Cattin, went to Iraq in January. The ministers have also been accompanied by leading Italian entrepreneurs and managers of State-sector industries, who have thus taken advantage of diplomatic support to promote their industrial projects in the fast-growing markets of the Middle East. These missions, limited in oil-producing countries. And the Italian Labour Minister, Signora Tina Anselmi, travelled to Moscow last month with major hydraulic works, aqueducts, dams and Giovanni Agnelli, for the open-

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WALL STREET OVERSEAS MARKETS FOREIGN EXCHANGES

Index jumps 10 optimistic view Sterling firm

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 14

SHARP UPWARD movement developed in late trading on Wall Street today, with investors taking a more optimistic near-term outlook on the economy as the weather-related economic news has been discounted.

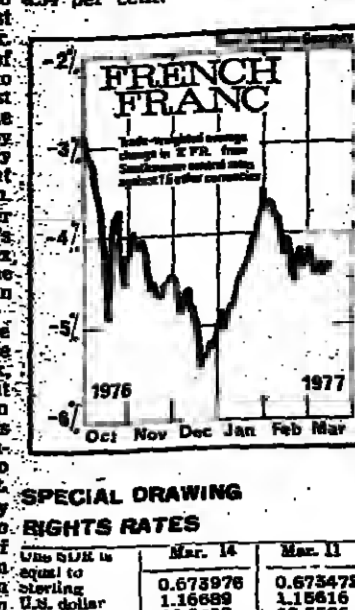
The Dow Jones Industrial Average spurted ahead 10.54 to 838.38 and the NYSE All Company Index moved up 38 cents to 853.10, while rises led falls 888-10-560.

Amalgamated Bonanza Petroleum jumped \$1 to \$10-1/2 said it bit oil at a Seepwell well in Texas property.

OSLO—Industrial, Shippings and Bankings were quiet, while insurances were barely steady.

VIENNA—Firm on selective interest, following the averted strike in the Austrian Engineering and Mining Industries.

STERLING continued to maintain premium over the gold content of a strong position in yesterday's widened to 3.86 per cent.



MONDAY'S ACTIVE STOCKS table with columns for Stock, Change, and Price.

THE AMERICAN SE Market Value Index eased 0.03 to 111.67, while advances outnumbered declines by 215 to 200.

OTHER MARKETS Canada moves up With the exception of Gold, which fell 20.2 to 1055.2 on index, all domestic factors of light trading on Canadian Stock Markets yesterday.

SWITZERLAND—Markets fluctuated narrowly in thin trading. Banks generally were very strong. Financials little changed, gains and losses were about even in insurances, while Industrials turned slightly mixed.

EXCHANGE CROSS-RATES table showing rates for Frankfurt, New York, Paris, London, and other major cities.

EURO-CURRENCY INTEREST RATES table showing rates for various currencies and maturities.

FOREIGN EXCHANGE table with columns for Country, Bank, and Rate.

NEW YORK—DOW JONES table with columns for Sector, High, Low, and Change.

MONTEREAL table with columns for Sector, High, Low, and Change.

TORONTO table with columns for Sector, High, Low, and Change.

JOHANNESBURG table with columns for Sector, High, Low, and Change.

GERMANY table with columns for Sector, High, Low, and Change.

TOKYO table with columns for Sector, High, Low, and Change.

OSLO table with columns for Sector, High, Low, and Change.

STANDARDS AND POORS table with columns for Sector, High, Low, and Change.

AMSTERDAM table with columns for Sector, High, Low, and Change.

PARIS table with columns for Sector, High, Low, and Change.

STOCKHOLM table with columns for Sector, High, Low, and Change.

COPENHAGEN table with columns for Sector, High, Low, and Change.

VIENNA table with columns for Sector, High, Low, and Change.

BRUSSELS/LUXEMBOURG table with columns for Sector, High, Low, and Change.

OVERSEAS SHARE INFORMATION NEW YORK table listing various international stocks.

OVERSEAS SHARE INFORMATION CANADA table listing Canadian stocks.

OVERSEAS SHARE INFORMATION AUSTRALIA table listing Australian stocks.

OVERSEAS SHARE INFORMATION SOUTH AFRICA table listing South African stocks.

OVERSEAS SHARE INFORMATION EUROPE table listing European stocks.

OVERSEAS SHARE INFORMATION ASIA table listing Asian stocks.

OVERSEAS SHARE INFORMATION OCEANIA table listing Oceania stocks.

Handwritten notes and scribbles at the bottom left of the page.

FARMING AND RAW MATERIALS

New hopes for world wheat pact
Our Own Correspondent
CANBERRA, March 14...

Strong reaction in cocoa and coffee prices
BY RICHARD MOONEY
FURTHER DRAMATIC rises were recorded on the London cocoa and coffee terminal markets yesterday...

General rise in metals

There was a general but restricted rise in prices of all the base metals on the London Metal Exchange yesterday...

BORTHWICK BID FOR FMC Independence is the key factor

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT
THE DECISION OF FMC to reject the bid from Borthwicks, the Fatstock Marketing Corporation as an importer of New Zealand lamb...

U.S. sugar imports commended
WASHINGTON, March 14...

Ignored
The Ghana Cocos Marketing Board's estimates that main crop cocoa purchases amounted to 100,000 tonnes in 1976-77...

Brazil export tax on soya removed
RIO DE JANEIRO, March 14...

F.M.C.
United Kingdom £330m
Overseas £72.2m
Total sales £402.2m

U.K. defends custard creams
BY ROBIN REEVES
DR. GAVIN STRANG, Parliament Secretary at the Ministry of Agriculture...

Disappear
Dr. Strang planned to tell the Commission and his EEC colleagues that the U.K. Government could not agree to a proposal which would have a marked effect on the production and costs of the food industry...

Malta farmers make state aid plea
BY OUR OWN CORRESPONDENT
A DETAILED census plan aimed at stemming the net-wide crisis which is claimed to have hit Malta's livestock industry...

Chartists push up copper
NEW YORK, March 14...
Copper closed firm on chartist buying...

COMMODITY MARKET REPORTS AND PRICES

Table with multiple columns listing prices for various commodities like wheat, sugar, and metals. Includes sub-sections for 'PRICE CHANGES' and 'U.S. Markets'.

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COCAOA
In the absence of selling pressure...

SOYABEAN MEAL
The market opened in London following a Paris closure...

Wool Futures
The market was unchanged in a shade better in a featureless session...

Wool Futures
The market was unchanged in a shade better in a featureless session...

Wool Futures
The market was unchanged in a shade better in a featureless session...

Wool Futures
The market was unchanged in a shade better in a featureless session...

FINANCIAL TIMES
Mar. 14 Mar. 11 Month ago Year ago
282.21 278.20 269.46 187.76

REUTERS
Mar. 14 Mar. 11 Month ago Year ago
1730.81 1727.5 1821.7 1294.9

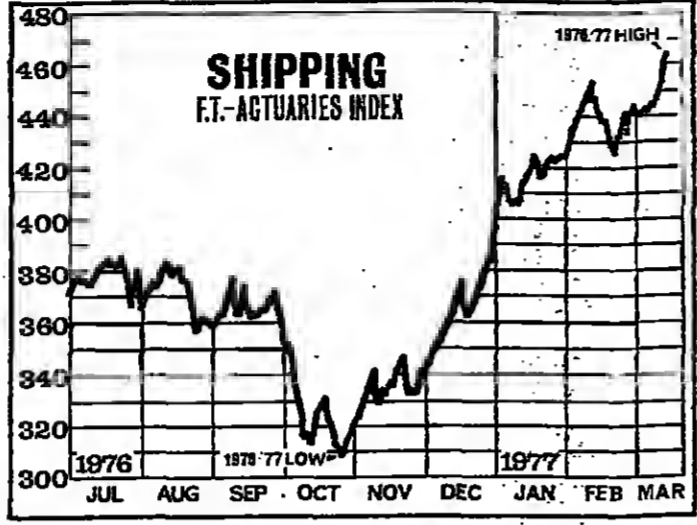
MOODYS
Moody's Mar. Mar. Month Year
451.52 440.00 409.86 163.11

STOCK EXCHANGE REPORT

Trade figures set seal on another good market rise
Share index up 13 at 3 1/2-year peak of 428.8-Gilts up again

Account Dealing Dates... First Declared Last Account... Dealings Declared Day... Feb. 28 Mar. 10 Mar. 11 Mar. 22...

corded at the end of last week and compared with the week ago figure of 6,848. Gilt good again... Hopes of a further reduction in Minimum Lending Rate this week kept Gill-edged securities well in the limelight yesterday.



added 3 to 24p on the results and Allied Plant 2 1/2 to 18p following Press comment. Norwest Hotel... improved 2 to 70p. Linerfort... GEC good... The feature of a firm Electrical sector was the strength of General Electric which, on being quoted...

By way of contrast, Laker... E. Wignall 18 up at 145p while revived support encouraged by the chairman's recent remarks about booming exports lifted New...

Unilever prominent... Miscellaneous industrial leaders closed with widespread gains and were virtually at the day's best...

Demand for RTZ... With the exception of Rio Tinto Zinc, which advanced 9 to 210p in response to favourable week-end news...

Table with columns: Mar. 14, Mar. 11, Mar. 10, Mar. 9, Mar. 8. Rows: Government Secs, Fixed Interest, Industrial Ordinary, Gold Mines, etc.

Table with columns: High, Low, High, Low, Daily... Rows: Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

South Africa... better at 235p, after 240p while British Union, 77 1/2, and Suez... Capital shares moved higher with Tripleveat Finishing...

Advertisement for Financial Times. Includes a table with columns: POSITION, INITIAL, DATE. Rows: MANAGING DIRECTOR (SER, Mon. 5th), FINANCE DIRECTOR (JEF, Mon. 5th), SALES DIRECTOR (ST, Tues. 6th), COMPANY SECRETARY (V.W., Wed. 7th), MARKETING MANAGER (R.S., Tues. 6th), CHIEF BUYER (B.D., Fri. 9th), PERSONNEL OFFICER.

Table titled 'RECENT ISSUES' and 'EQUITIES'. Lists various stocks with columns for Issue Price, Date, and Stock details.

Table titled 'FIXED INTEREST STOCKS' and 'RIGHTS OFFERS'. Lists fixed interest stocks and rights offers with columns for Issue Price, Date, and Stock details.

Table titled 'ACTIVE STOCKS'. Lists active stocks with columns for Stock, Denomination, Closing price, Change, 1976-77, and 1977-78.

Table titled 'FT-ACTUARIES SHARE INDIC'. Lists various equity groups and sub-sections with columns for Index No., Index, and Index %.

Table titled 'NEW HIGHS AND LOWS FOR 1976/77'. Lists new highs and lows for various stocks with columns for Stock, Denomination, Closing price, Change, 1976-77, and 1977-78.

Advertisement for Financial Times. Includes text: 'How to miss opportunities', 'Every department of every business needs the Financial Times-daily', 'Circulating one or two copies just isn't enough...'

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Unit Trusts (left column), listing various trusts like 'Unit Trust Mgrs Ltd', 'Hambros Group', 'Brooks Shipley & Co', etc.

Table of Unit Trusts (middle column), listing trusts like 'Henderson Administration', 'Pecadilly Unit Tr. Mgrs', 'Provincial Life Inv. Co', etc.

Table of Offshore and Overseas Funds (top right), listing funds like 'Arbuthnot Securities (C.I.) Limited', 'Fidelity Mgmt. & Res. (Eda) Ltd', etc.

Table of Offshore and Overseas Funds (bottom right), listing funds like 'Kemp-Gee Management Jersey Ltd', 'Royal Trust (C.I.) Mgt. Ltd', etc.

Table of Unit Trusts (left column), listing trusts like 'Unit Trust Mgrs Ltd', 'Hambros Group', 'Brooks Shipley & Co', etc.

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Table of Offshore and Overseas Funds (bottom right), listing funds like 'Kemp-Gee Management Jersey Ltd', 'Royal Trust (C.I.) Mgt. Ltd', etc.

Table of Base Lending Rates, listing various banks and their rates, including 'Bank of Credit & Commerce', 'Bank of Cyprus', etc.

Table of Unit Trusts (left column), listing trusts like 'Unit Trust Mgrs Ltd', 'Hambros Group', 'Brooks Shipley & Co', etc.

Table of Unit Trusts (middle column), listing trusts like 'Henderson Administration', 'Pecadilly Unit Tr. Mgrs', 'Provincial Life Inv. Co', etc.

Table of Offshore and Overseas Funds (top right), listing funds like 'Arbuthnot Securities (C.I.) Limited', 'Fidelity Mgmt. & Res. (Eda) Ltd', etc.

General Motors Corporation advertisement, featuring the GM logo and text: 'Further to the DIVIDEND DECLARATION of March, 1977, NOTICE is now given that the swing distribution will become payable to AUTHORIZED DEPOSITARIES on and after the March, 1977, against presentation to the secretary (as below) of Claim Forms listing the Depository Receipts.'

Table of Unit Trusts (left column), listing trusts like 'Unit Trust Mgrs Ltd', 'Hambros Group', 'Brooks Shipley & Co', etc.

Table of Unit Trusts (middle column), listing trusts like 'Henderson Administration', 'Pecadilly Unit Tr. Mgrs', 'Provincial Life Inv. Co', etc.

Table of Offshore and Overseas Funds (top right), listing funds like 'Arbuthnot Securities (C.I.) Limited', 'Fidelity Mgmt. & Res. (Eda) Ltd', etc.

Insurance Base Rates advertisement, listing rates for 'Property Growth' (11%), 'Cannon Assurance' (10%), and 'Address shown under Insurance and Property Bond table.'

CORAL INDEX - Close 450-455

Factoring means FULL CREDIT COVER! Interested? Write to INTERNATIONAL FACTORS LIMITED

FT SHARE INFORMATION SERVICE

INDUSTRIALS—Continued

BRITISH FUNDS table with columns for Stock, Price, Div, and Yield

Five to Fifteen Years table with columns for Stock, Price, Div, and Yield

Over Fifteen Years table with columns for Stock, Price, Div, and Yield

Unquoted table with columns for Stock, Price, Div, and Yield

INTERNATIONAL BANK table with columns for Stock, Price, Div, and Yield

CORPORATION LOANS table with columns for Stock, Price, Div, and Yield

COMMONWEALTH & AFRICAN LOANS table with columns for Stock, Price, Div, and Yield

LOANS (Miscel.) table with columns for Stock, Price, Div, and Yield

FOREIGN BONDS & RAILS table with columns for Stock, Price, Div, and Yield

CANADIANS table with columns for Stock, Price, Div, and Yield

BANKS AND HIRE PURCHASE table with columns for Stock, Price, Div, and Yield

Hire Purchase, etc. table with columns for Stock, Price, Div, and Yield

BEERS, WINES AND SPIRITS table with columns for Stock, Price, Div, and Yield

LOANS (Miscel.) table with columns for Stock, Price, Div, and Yield

FOREIGN BONDS & RAILS table with columns for Stock, Price, Div, and Yield

AMERICANS table with columns for Stock, Price, Div, and Yield

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BUILDING INDUSTRY—Continued table with columns for Stock, Price, Div, and Yield

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CHEMICALS, PLASTICS table with columns for Stock, Price, Div, and Yield

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DRAPERY AND STORES—Continued table with columns for Stock, Price, Div, and Yield

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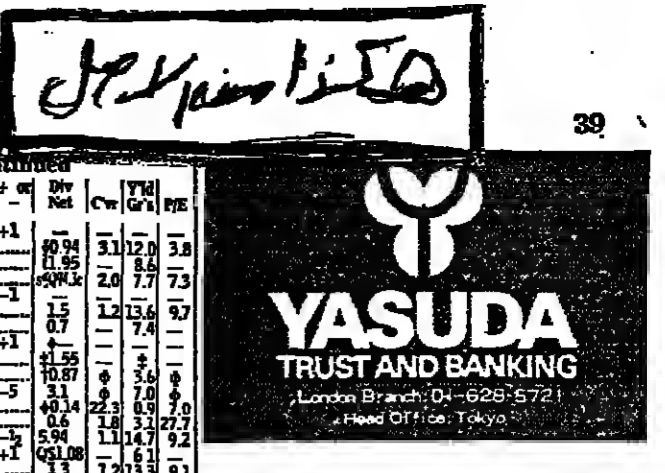
ELECTRICAL AND RADIO table with columns for Stock, Price, Div, and Yield

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ELECTRICAL AND RADIO table with columns for Stock, Price, Div, and Yield

Conversion factor 0.7265 (0.7282)

Handwritten scribble



INDUSTRIALS—Continued

Table of industrial stock prices including companies like Anglo-Continental, Anglo-Italian, Anglo-Siam, etc.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like Bentley, Rover, etc.

PROPERTY—Continued

Table of property-related stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

TRUSTS—Continued

Table of trust-related stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

TRUSTS—Continued

Table of trust-related stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

MINES—Continued

Table of mine stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

Commercial Vehicle

Table of commercial vehicle stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

Components

Table of component stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

SHOES AND LEATHER

Table of shoes and leather stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

SHIPPING

Table of shipping stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

OVERSEAS TRADERS

Table of overseas trader stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

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Table of overseas trader stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

Garages and Distributors

Table of garage and distributor stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

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Table of shipping stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

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SHIPPING

Table of shipping stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

PROPERTY

Table of property-related stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

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INSURANCE

Table of insurance stock prices including companies like Anglo-Continental, Anglo-Italian, etc.

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CABINET FACES OPPOSITION FROM LABOUR MPS

Warning on direct elections

BY RICHARD EVANS, LOBBY EDITOR

THE GOVERNMENT received a double warning from Labour MPs and members of the party's national executive committee...

At a meeting between Mr. Merlyn Rees, the Home Secretary and members of the NEC's organisation and international committees...

at last year's annual conference to oppose the principle of direct elections. Because of the fierce opposition to any form of direct elections among Labour MPs...

Oce the White paper is published, there are certain to be persistent demands from within the Labour Party for a special one-day conference...

Options

The issue of direct elections is one that Ministers must face soon, even though there is no hope of getting any legislation through the Commons...

Saudis end talks with Philips on contract

By Richard Johns, Middle East Editor

THE SAUDI Arabian Ministry of Posts, Telegraphs and Telephones has broken off direct negotiations with Philips of the Netherlands...

The decision was taken as part of the Saudi Government's campaign against "inflated" bids set by Western companies...

Owen to visit S. Africa for talks on Rhodesia

BY MARTIN DICKSON

DR. DAVID OWEN, the Foreign Secretary, is to visit South Africa next month in an attempt to restore the momentum for a Rhodesian settlement...

Main aims

Whitehall is stressing that the main aim of Dr. Owen's visit is to become familiar with the situation, since the Foreign Secretary has had no previous experience of African affairs...

are planning their Rhodesian strategy, apparently see no clear way forward for the Labour Party...

At the very least, Dr. Owen's tour will be a reminder to Rhodesians that there are other methods of solving the problem than Mr. Smith's proposed internal settlement...

Dr. Owen may meet representatives of white Rhodesian opposition groups in South Africa.

German nuclear power plans upset by court decision

BY NICHOLAS COLCHESTER

THE WEST GERMAN nuclear power programme was dealt another severe blow today when the Administrative Court in Bonn withdrew the construction permit for the planned atomic power station at Wyhl in Baden-Wuerttemberg...

As the decision implies that the current safety regulations are inadequate, it has caused some consternation in Government circles and the nuclear power industry.

Continued from Page 1

Uneasy calm in Bologna

are using the confusion and very real frustration of students as a peg for their anarchy and terrorism. Groups of extremists have been seen arriving here in cars and vans with arms and incendiary bombs.

unions and the Communist Party which is now effectively a party of Government. Their anger is the result of a combination of factors—the political and economic instability of the country which has led to unemployment of excessive dimensions...

The Bonn Government is to re-examine the question of how much atomic power West Germany will need in the future in due course.

Groundswell

To-day's court decision is the second major setback to the German nuclear programme this year—apart from a groundswell of opinion against atomic power stations that has made them an unavoidable issue in national politics.

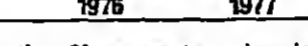
Warning that tea may cost 30p a quarter

By Elinor Goodman and Bernard Simon

TEA COULD cost 30p a quarter pound in the shops by the end of the year, Mr. George Neale, chairman of the Tea Brokers Association warned yesterday as tea prices reached record levels in the London auctions.

This would be three times last August's retail price of 10p a quarter and more than 10p more than the present shop price.

TEA PRICES (QUALITY) London Tea Auctions 1976



another 31p a quarter price rise. This will take the average price of a big selling brand like PG Tips up to 20p a packet. It will come into effect in the shops within the next few weeks.

Coffee prices will also be going up again soon. The big coffee manufacturers have already started notifying the trade of another advance in the price of instant coffee.

The increase, which is being studied by the Price Commission, will mean that a four ounce jar of Nescafe will average around £1.15, against 90p to-day and 85p a year ago.

Three weeks ago, tea was selling in the London auctions at an average of 129p a kilo gram. Yesterday, the price broke through the £2 per kilogram mark for the first time, raising fears of the ability of some blenders to finance purchasers and stocks.

Even tea brokers were surprised at the strong demand which shot up by 19 per cent to 222p kg. Melind and plain teas went up by 22 per cent and 27 per cent respectively.

The auction closed on a very strong note, leading some brokers to believe that there could be a further surge in prices next week. But even without these rises, the chairman of the Tea Brokers Association forecast that tea could be costing as much as 30p a quarter by the end of the year.

Tea has traditionally been one of the most stable of commodities. Between 1967 and 1970 the price did not change, but last year the retail price moved rapidly upwards partly as a result of higher world price and partly because of the Government removing the subsidy.

The recent upsurge in tea prices has been due to rising demand in India, Pakistan, East and West Africa and America, where coffee drinkers have switched to tea as coffee became dearer.

Moreover, many tea buyers have purchased lower than normal quantities in the past few months in the expectation that high prices would eventually level off. These buyers allowed their stocks to run down and are now having to restock, thus giving the prices spiral another twist.

Yesterday, Mr. Roy Hattersley, Prices Secretary, said that he would examine the possibility of asking the Price Commission to study the tea situation.

Continued from Page 1  
Leyland Sir Keith, who was speaking during a debate on a select committee report on the Chrysler rescue, argued that unless productivity improved at Chrysler the Government would merely be bleeding healthy companies in order to continue funding what might prove to be a lame duck.

THE LEX COLUMN

Candidates for the Inchcape gap

The news that the Treasury has exempted Inchcape from dividend controls on the grounds that it is mainly engaged in operations outside the U.K. sent a shiver of excitement through the stock market yesterday.

The FT-Actuaries Overseas Traders Index jumped 6.2 per cent on the day, as Inchcape itself rose 40p to 390p. Yet when it comes down to other cases, there actually appear to be few major companies which might be both able and willing to take advantage of such a ruling.

Paterson Zochonis is a good example. Around four-fifths of its profits arise overseas, but its proportion of overseas assets could be rather smaller following recent acquisitions. This year's dividend may be covered 15 times, but FZ has been using its cash to diversify in recent years and although it admits to being intrigued by the Inchcape decision, it is doubtful about whether it will be in a position to follow suit.

Mitchell Cotts would probably qualify for exemption, with at least four-fifths of its assets and earnings overseas. But it reckons that its payout ratio is already adequate and since its yield is currently in double figures it may see little point in increasing the dividend further.

Finlay is more enthusiastic. But with roughly two-fifths of its profits and assets in the U.K. it will be lucky to change its status. Among the more general industrial companies, groups like Bowater and Coats Patons have recently been making the bulk of their profits overseas—but that has owed a good deal to the U.K. recession.

Fesco Mines trading. Equities were slow to start yesterday, but continued strong after hours by which time the F.T. 30-Share Index had clearly penetrated the high of 420.8 dating from last May. This takes us back to levels last seen in November 1975.

In conditions of slack demand for credit in the economy at large, money is spilling over into the securities markets, and interest rates are being further depressed. Treasury Bill rates are now signalling a further quarter-point cut in M.R. Meanwhile the retail sales figures for February continue to show a sluggish trend, and companies are not getting much joy out of exports either. U.K. exports of manufactures eased in volume terms last month.

Index rose 13.0 to 428.8



FMC/Borthwick A bid for FMC expected in the months—80p in December, the share just two weeks ago surprised aspect. Borthwick's 101p equity offer is the made without the the NFU Develop which controls 42. FMC. The offer very substantial all but recent mar FMC. But it is not written, and las market was the second thoughts chances of success shares closing 49 best of the day 4. Obviously, B attempting to rail of the smaller shal have once more been it has a case to Development is in Takeover Code, it upwards direction. Gifts again quantities of FMC, market each year, scoring gains at over a point, theory, acquire, although they failed to respond by about 1980.

Through 420

In the absence of gilded-edged tap stocks and significant new equity issues security prices have once more been it demonstrating their ability to move rapidly—currently, in an upward direction. Gifts again quantities of FMC, market each year, scoring gains at over a point, theory, acquire, although they failed to respond by about 1980.

later to the February trade figures, which were slightly better than expected. A stock ably the last on January's "supertap" obtain a generous Treasury 131 per cent 1993 has might be putting now put on over 58 in six days, earnings recovered trading. Equities were slow to start yesterday, but continued strong after hours by which time the F.T. 30-Share Index had clearly penetrated the high of 420.8 dating from last May. This takes us back to levels last seen in November 1975.

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One explanation of the strength in equities yesterday side shareholders.

Weather

Table with 2 columns: U.K. TO-DAY, BUSINESS CENTRES. Lists weather forecasts for various regions and cities.

Table with 2 columns: HOLIDAY RESORTS. Lists weather forecasts for various holiday destinations.

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